

## Equality and Human Rights Commission Research report 66

# Childcare: A review of what parents want

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## **Abbreviations/acronyms**

CSA	Childcare Sufficiency Assessment
DCSF	Department of Children Schools and Families
DWP	Department of Work and Pensions
ECEC	Early Childhood Education and Care
EYFS	Early Years Foundation Stage
EYP	Early Years Professional
EYPS	Early Years Professional Status
EYSFF	Early Years Single Funding Formula
HMRC	Her Majesty's Revenue and Customs
LGBT	Lesbian, gay, bisexual and transgender
NCS	National Childcare Strategy
Ofsted	Office for standards in education, children's services and skills
PVI	Private, voluntary and independent sectors

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## **Executive summary**

### **Introduction**

The Commission's 'Working Better' project was launched in July 2008 and reported in March 2009. It found that today's parents defy stereotypes and want to share work and family care more equally. Their choices are constrained by inflexible and low paid family leave provisions based on a traditional division of paid work and care. Britain stands out internationally for its relatively long leave reserved for mothers, mostly at a low rate of pay, and its relatively weak parental leave. It also has very short paternity leave. Other countries offer flexible parental leave alongside flexible work. Britain does not. There is evidence of unmet demand from fathers for more leave with their children. Parents primarily want a wider range of flexible job opportunities in all types of jobs. They also want: policies that reflect the social and economic benefits of integrating work and care; more financial support from the Government for paternity and parental leave; and more affordable childcare.

Working parents' aspirations for work and childcare have led policy makers to consider a variety of childcare initiatives with the dual aim of supporting parents into work and providing a solid foundation for early learning and development for children. Parents want affordable, high quality, accessible and flexible childcare but also want to balance work and care responsibilities to spend more time with the family, in particular in the early years.

This review of what parents want from childcare was commissioned by the Equality and Human Rights Commission to inform the 'Working Better' project. It builds on earlier stages of 'Working Better' by assessing the extent to which parents work and care aspirations for childcare are being met through existing initiatives and examines the role of childcare in meeting the changing needs of families and workers in the 21st century.

### **What do we mean by childcare in this report?**

By childcare, we mean all types of early childhood education and care provided by a registered childcare professional, approved childcare professional and through informal arrangements. Registered childcare includes those providers who are providing both early education and care services and who are registered with the appropriate monitoring body for each of the devolved administrations in the United Kingdom. Within these registered services, early education represents services providing the free, government-funded, early education entitlement for three and four year-olds offered by nursery schools, nursery classes, reception classes, pre-

schools, playgroups and childminders who have completed the necessary training. In addition registered childcare also represents providers who are registered to provide care services such as daycare, childminding and out-of-school provision (before and after school and in school holidays) including those who have registered as part of the voluntary (approved) registration scheme. Where necessary, a distinction is made in relation to the provision of early childhood education and care according to how it is funded.

Not all childcare provided by professionals is registered care and this includes the majority of nannies (except those with approved status) and much out-of-school provision (although some of it may have voluntary registration). Only registered childcare can attract support through the childcare element of the working tax credit.

We also refer in the report to informal childcare, typically provided by grandparents, family members and others, and is often used to 'wraparound' other types of provision. This care is not formally registered and so is not eligible for state subsidies, although it sometimes involves a cost.

### **Types of childcare**

<b>Type of childcare</b>	<b>Definition</b>	<b>Types of providers</b>
Formal childcare	Registered (by the appropriate governing body) childcare (including those who have opted to be on the voluntary register) provided by a professional usually for a fee.	Childminders; children's centres; day nurseries; extended schools; out-of-school services or kids' clubs; holiday playschemes/clubs; preschools/playgroups; nursery schools and classes; and registered or approved nannies (although they are not legally required to register) some parent/carer and toddler groups (although they are not legally required to register).
Informal childcare	Unregistered childcare .	Care provided by family, friends and ex-partners.

The childcare services that are available will vary by age group.

### **Childcare by age group**

<b>Age group</b>	<b>Types of care</b>
Age 0-2	Childminders, nannies, children's centres and daycare nurseries. Among 2 year-olds it can also include nursery schools, nursery classes and play groups.
Age 3-4	Free early years education is available and is provided by nursery schools, nursery classes, pre-schools, play groups, daycare nurseries, children's centres and childminders who have the appropriate registration. Childminders, nannies, children's centres and daycare nurseries can also provide additional wraparound care as can informal providers.
Age 5-11	Childminders, out-of-school provision including through extended schools, nannies and informal providers.
Age 11-14/18	Out-of-school provision provided through extended schools and/or out-of-school clubs.

Where appropriate, distinctions are made in relation to the different age groups of children.

### **Childcare is an issue of equality**

Access to appropriate and affordable childcare does not stand alone from other economic and social issues – it is a key factor in enabling parents to enter and remain in the labour market and achieve social mobility. Although some parents prefer to look after their own children and see it as their responsibility, most parents use some form of childcare, and for them work is a necessity, as well as a question of aspiration and fulfilment. In practice, it is women who have been disproportionately responsible for the majority of childcare in families, resulting in fractured work patterns and diminished labour market returns for individuals, families and children. Childcare provision is not always flexible enough to meet parents' working hours and although many nurseries provide childcare between 8am and 6pm, very few provide care outside of these hours. As 'Working Better' has shown, parents tend to work the hours necessary to fit in with the provision available, rather than flexible working and childcare working around them. Once children start school, due to schools hours and holidays, there is a direct relationship between these hours and the low paid, traditional work that many women do. Fathers would like to spend more time with their children and gain greater access to their caring opportunities. Whereas in other

parts of Europe, e.g. the Nordic countries, parental aspirations are supported by highly developed early childhood education and care, in the United Kingdom, it is fair to conclude that it is largely mothers working part-time that support family 'choices' about combining work and family life.

Childcare is not a simple issue of preference. The ability to pay is a key determinant in access to appropriate childcare. Affordability divides families and is a particular barrier to low-income and lone parent families, though it is also a key consideration for a wide range of parents. Some parents have not traditionally used formal childcare and typically, the most disadvantaged families are still less informed and less likely to use it, even when it is free. Helping families to combine work and care is an essential step in achieving equality by enabling equality of access to the labour market for women and a chance for men to spend more time caring for their children. Appropriate childcare can support more types of families into employment and at the same time improve child outcomes, thus reducing child poverty in the longer term, and what is good for the child is good for the mother and father. For those families who have accessed it, good quality early childhood education and care provides measurable improvements to children's socio-emotional and cognitive development, thus improving their life chances and prospects.

## **Key findings**

### **What parents want**

The division between work and childcare is no longer conceived along 'traditional' lines for the majority of modern parents. Only 29 per cent of parents believe that childcare is the primary responsibility of the mother, with 38 per cent believing that fathers are primarily responsible for providing for the family. Fathers increasingly want to spend more time with their children and want to share the responsibility of work and childcare. However, despite modern values, many families find that the arrangements they have in place for work and childcare are often constrained along traditional lines. In considering their day-to-day life, over three-quarters of mothers state they are primarily responsible for childcare in the home. However, there are discrepancies in the views of men and women as a third of men believe that they share the responsibility for childcare equally compared to only 14 per cent of women (Ellison *et al.*, 2009).

Among the lived experiences of parents, those who are flexible workers are more likely to think positively about the state of their work and childcare arrangements, providing evidence that flexibility delivers improvements. In contrast, parents with additional caring responsibilities, disabled parents or those with disabled children are significantly less likely to feel they achieve a satisfactory work-life balance. To further

add to the negative lived experiences, a sizeable minority of parents report that their arrangements cause some stress or tension (Ellison *et al.*, 2009).

Childcare is expensive and is often unaffordable. A quarter of non-working mothers with pre-school children, mentioned the affordability of childcare as a reason for not working (Ellison *et al.*, 2009). However, a lack of family support was also a barrier to employment for just over a quarter (28 per cent), demonstrating the complex nature of the use of childcare. Among parents paying for childcare, the cost was still found to be high with around a fifth saying that they struggled to meet their childcare costs. This proportion was significantly higher among lone parents, families with low incomes and those living in deprived areas (Speight *et al.*, 2009).

More affordable childcare was among the top four recommendations made by parents in order to enable them to achieve a better work–life balance, along with better flexible working opportunities and better paternity leave and pay (Ellison *et al.*, 2009). Yet it is not just cost that influences the decision to use childcare. In a 2010 survey, parents ranked the following criteria when choosing childcare: ‘staff, well qualified, trained or experienced’ (74 per cent); ‘warm and caring atmosphere’ (59 per cent); ‘Good Ofsted report’ (44 per cent), and ‘cost’ (36 per cent), (Daycare Trust, 2010). Other research has shown that parents rate good staff, warm and caring atmosphere, quality of buildings and health and safety as priorities. Trust ranks high with most parents.

### **The benefits of early childhood education and care**

The phase between birth and six years is a critical period for children’s cognitive, social and emotional growth. A considerable body of evidence has shown the substantial benefits of good quality early years education and childcare for children. Outcomes and achievements in adulthood are closely linked to cognitive and social competencies developed in childhood. Good cognitive abilities are associated with educational attainment later in life and indirectly (that is, through education) with higher wages. Social skills also contribute to later life outcomes: skills related to attention are associated with higher educational qualifications, while social adjustment is associated with improved labour market participation, higher wages and the reduced likelihood of being involved in criminal activity. The quality of pre-school and primary school education matters for the development of cognitive and social competence, along with the Home Learning Environment. Research from the Effective Provision of Pre-School Education project data (Sammons *et al.*, 2002) found that, regardless of all other factors, children who did not experience any pre-school provision demonstrated lower cognitive abilities and poor social/behavioural development at school entry (especially ‘peer sociability’ and ‘independence and concentration’). For example, it has been found that for those children who attended

pre-school for two years, cognitive development at the age of five is four to six months more advanced than for those who have not attended at all.

### **Formal childcare places have increased as a result of the National Childcare Strategy introduced in 1998**

The introduction of the National Childcare Strategy in 1998 by the Labour Government of the time introduced a positive trend in the provision of childcare places in England and Wales. According to Philips *et al.* (2009) there were around 2.5 million OFSTED registered childcare places in England in 2008, a 33 per cent increase from 2003. Of these, 1,684,800 were provided by full day care settings, sessional providers, after school and holiday clubs and childminders and 817,400 places were registered in early years provision in maintained schools. In Wales the number of childcare places rose from 69,710 in 2003 to 73,645 in 2009 (StatsWales, 2010). In Scotland (where the data relates to the number of childcare centres including childminders) the trend has been less positive, with a fall in centres from 10,468 in 2006 to 10,320 in 2009 (The Scottish Government, 2009).

### **Gaps and variation in provision of formal childcare places**

Despite the increase in childcare places in England, 93 per cent of local authorities report gaps in childcare provision including: childcare before and after school, holiday care, care for older children, provision for children with SEN and disabilities, provision for parents working atypical hours and, in some places, care for those under two (OPM, 2008). There is a wide variation in provision of childcare across the Government regions in England. For example, of the 8,800 holiday clubs on offer, 21 per cent were in the North West, compared to 8 per cent in the East of England (Phillips, 2009). There are also differences in the supply of childcare available in Welsh and Scottish regions. There are nearly twice as many places for 1-4 year-olds in Edinburgh and Aberdeen, compared to North Lanarkshire and West Lothian (Gender Audit, 2007). There are fewer registered places for children under 8 in the Welsh valleys than elsewhere, for example, there were 19 children for every childcare place in Blaenau Gwent compared to 3 in Denbighshire (Welsh Assembly Government, 2004).

Over a third of parents in England felt that there was not enough childcare available in their area (Speight *et al.*, 2009). Daycare Trust's childcare costs survey found that in 2010, 54 per cent of Family Information Services in England said that parents had reported a lack of childcare in their area in the last 12 months. This compares to 69 per cent in Wales and 65 per cent in Scotland.



## **The ‘free offer’ is for 3 and 4 year-olds only and is available for 12.5 hours a week**

The free early years’ education offer of 12.5 hours for 3 and 4 year-olds is only available in nurseries and playgroups during school terms. At the time of this report, the current coalition Government (established in May 2010) is committed to increasing the free entitlement to 15 hours a week and it will be offered on a more flexible basis. In future, parents will be able to take it over three or more days a week rather than over five. And it can be stretched over a longer period than the usual 38 weeks a year. However, this still does not constitute wraparound care, so parents need to find other options where they have to pay, or broker informal childcare options (which may not be free) if they need to work longer than the free hours.

There is no automatic, free childcare for parents of 0-2 year-olds, which can be the most expensive time for parents. Pilot projects are testing the extension of the free hours offer to 2 year-olds in disadvantaged areas. Children’s social and cognitive development did not significantly improve in the early results from the projects, though where the children had attended quality settings, there were improvements in vocabulary. Similarly, although overall there is little evidence of improved parent-child relations from the pilot projects, those families who accessed high quality settings had significantly better parent-child relationships than the matched comparison group. This demonstrates that quality settings matter.

## **Age of children receiving childcare**

In 2008 in England, 5.5 million children aged 0-14 were receiving childcare overall; 3.8 million were receiving formal provision and 2.9 million were receiving care from informal providers. Three and 4 year-olds were the most likely to receive childcare, with 90 per cent in some type of childcare and 10 per cent in none. Eighty-six per cent of 3 and 4 year-olds received formal and 39 per cent informal childcare. The figures reflect the universal offer of free part-time early years education for this age group, as well as a greater general need for childcare for pre-school children compared with older children. This contrasts with 0-2 year-olds, of whom 59 per cent received some type of childcare, with 38 per cent receiving formal and 37 per cent receiving informal childcare. Twelve to 14 year-olds were least likely to be receiving childcare, with 50 per cent in some type of childcare; 26 per cent receiving formal and 27 per cent receiving informal childcare (Speight *et al.*, 2009).

## Proportions of children receiving formal and informal provision

Childcare for the 0-4 age group is dominated by formal early years education provision like day nurseries, nursery classes and playgroups. Low proportions of this age group receive childcare from childminders and nannies. Childcare for the 5-14 age groups is dominated by breakfast and after school clubs, both on and off site. Childminders feature in similar proportions for this age group, though virtually disappear for the 12-14 year-olds.

Sixty-five per cent of parents in England (3.7 million families and 5.5 million children) use some kind of formal or informal childcare. Forty per cent used formal, and 45 per cent informal childcare. Thirty-five per cent use no childcare at all (Speight *et al.*, 2009). Grandparents are the biggest provider of informal childcare, with 22 per cent of 0-14 year olds on average receiving such care in England. Three in 10 (30 per cent) of 0-2 year-olds receive childcare from grandparents. The figure declines with the age of the child, reducing to 12 per cent of 12-14 year-olds receiving grandparent childcare.

In the latest available survey of parents in Wales 2006, two-thirds of families had used childcare in the last week (66 per cent): 38 per cent had used formal care and 47 per cent had used informal care. Families were most likely to have used a grandparent for childcare during the past week (36 per cent) (Bryson *et al.*, 2006b).

According to the Growing up in Scotland study, 65 per cent of parents were using childcare at the time of the interview. Parents with toddlers (aged 2 and above) were more likely to use childcare than parents of babies – under twos (76 per cent compared to 60 per cent). Grandparents were the single most common type of childcare provider used in Scotland. Two-thirds of baby families and 50 per cent of toddler families were using the child's grandparents for regular childcare. The question asked whether grandparents provided care on a regular basis, unlike in England and Wales where the measure was in the last week (Scottish Executive, 2007).

It is unclear whether the high numbers of parents using informal care are doing so out of a clear preference, or because of a lack of an affordable, high quality alternative in their area. The evidence is mixed, with some parents using informal arrangements because of trust, commitment, shared understandings about 'caring' and children's happiness, though the most predominant explanation is for economic reasons. Those experiencing multiple disadvantage (five or more points of disadvantage) are more likely to be negative about formal provision and this needs

further exploration, as it may reflect a lack of experience of using childcare, beliefs about mothers' paid work and/or concerns about the impact on children.

### **Which children are receiving childcare?**

Use of formal childcare has increased among all social groups in England. For example, the use of formal childcare for lone parents in 1999 was 23 per cent, compared with 33 per cent in 2004, whilst for two parent families it was 31 per cent and 43 per cent respectively. However, rates of increase in use have slowed since 2004 (Butt *et al.*, 2007).

Formal childcare use was higher in less deprived areas in England – 53 per cent in the least deprived quintile and 34 per cent in the most deprived quintile in 2008 (even after controlling for families' work status and income).

Children from working and higher-income families were more likely to use formal childcare than those from non-working and lower-income families in England. Those with lower family incomes were less likely to use informal childcare (31 per cent among those with an annual income under £10,000 compared to 58 per cent among those with an income of more than £45,000). These families also had lower employment activity rates, with lack of childcare often cited as a barrier to work. A similar pattern is evident when you compare by area deprivation, with lower childcare use in the most deprived areas (Speight *et al.*, 2009).

Similarly, in Scotland, households in the highest income quartile were far more likely than those in the lowest income quartile to have childcare arrangements in place (including paid and unpaid childcare) even when parental employment status was controlled for. This suggests that the cost of childcare and the availability of affordable childcare were important for a significant number of families within the sample. A similar pattern was evident in Wales.

Pakistani and Bangladeshi children of school age were less likely to receive formal childcare than White children, even after controlling for their other socio-demographic characteristics. Children with special educational needs were less likely to receive formal childcare (37 per cent) than those without special educational needs (45 per cent), while the apparent difference in the use of informal childcare was not statistically significant. Finally, children in London were less likely to receive informal childcare than children in other regions (Speight *et al.*, 2009).

None of the routine surveys of childcare use currently collect data on the sexual orientation, religion or belief, or transgender status of parents. The use of childcare

for such parents was collected by Ellison *et al.* (2009). The findings are indicative and not representative. For lesbian gay and bisexual parents, the figures suggest they were more likely to draw upon informal childcare like grandparents and other family members, than parents on average, though this could be accounted for by other factors e.g. income, region, work status, that were not controlled for. For the largest religious groups in the survey, Jewish and Christian, there were no observed differences in use of childcare compared to the average.

### **For school-aged children, formal childcare provision is limited before and after school and during holidays**

As indicated earlier, the formal childcare provision on offer to school-aged children is dominated by breakfast and after school clubs, both on and off site, and some holiday clubs, though take-up is greater among those with higher incomes (Ellison *et al.*, 2009). The evidence indicates that such provision is uneven across regions/areas, inconsistently available on a routine basis and may be unsupervised for older children. Where the child's school did not currently offer before- and/or after-school childcare, the proportion of parents saying they would use that provision, if it was available, was fairly high, particularly for after-school clubs. The reasons for wanting to access such care related to enabling the respondent to work (or work longer hours) and the benefit to the child, particularly for after-school provision. Demand was particularly high among lone parents. The wraparound provision of childcare around schools and school-aged children is fragmented, and, arguably, the most underdeveloped area of policy in the recent childcare strategy.

### **There is very little childcare offered on a flexible basis**

There is hardly any formal childcare provision available outside standard hours (before 8am, after 6pm, or at weekends). Evidence suggests that a growing number of parents need childcare at these times, often to cover atypical working hours and that a substantial number of mothers work atypical hours, particularly evenings and Saturdays. While previous research has shown that atypical working hours enable some parents to have a 'shift parenting' arrangement (with one parent working when the other is at home), a substantial minority of mothers, and lone mothers in particular, reported difficulties in finding suitable childcare to cover atypical hours (La Valle *et al.*, 2002).

### **Parents of disabled children have fewer childcare options**

Appropriate childcare for disabled children is scarce and expensive. This varies according to the disability of the child. The demographic variable used in routine

childcare surveys for disabled children is whether they have special educational needs. In England, children with special educational needs were less likely to receive formal childcare (37 per cent) than those without special educational needs (45 per cent), while the apparent difference in the use of informal childcare was not statistically significant (Speight *et al.*, 2009). Parents question whether childcare providers are appropriate for their children and sufficiently skilled. Just under half (49 per cent) of Family Information Services in both England and Wales reported that there was not enough childcare provision in their area for disabled children (Daycare Trust, 2010).

### **Welsh childcare available in the Welsh language**

It is evident that in almost all areas of Wales there is unmet demand for some types of childcare delivered in the Welsh language. In traditionally Welsh speaking areas, parents would like more types of childcare to be available in their first language, and in non-Welsh speaking areas, some parents who do not speak Welsh themselves often prefer childcare in the Welsh language. This is particularly the case in areas where local Welsh language schools are perceived as providing a better education (Beaufort Research Ltd, 2007).

### **Information on childcare provision is key**

Most (68 per cent) of parents in England said they had used one or more sources of information about childcare in their local area in the last year. Many relied mainly on information from people/organisations they regularly encountered in daily life: word-of-mouth from friends/relatives, their child(ren)'s school, the Local Authority and health services. The Family Information Service was familiar to around a third (32 per cent) of parents, but only half of these (15 per cent of all families) said they had ever used it (Speight *et al.*, 2009).

Accessing information, both through the Family Information Service, and more widely, was strongly linked to existing childcare use. Those families who did not use childcare, or did not use formal provision, were much less likely to have accessed information. This in turn means that those groups known to have lower rates of formal care use (non-working families, lone parents, those with lower incomes) were less likely to have had access to recent information about childcare, more likely to say they had too little information on childcare and more likely to say they were unsure about the availability, quality and affordability of childcare in the local area (Speight *et al.*, 2009).

## **The role of childcare in moving children out of poverty**

In 2008, Joseph Rowntree examined the role childcare could play in eradicating child poverty, revealing that half of British children in poverty live in families where at least one parent is already working (43 per cent in two-parent families and 7 per cent in lone parent, working families) and the other half live with non-working parents (33 per cent with lone parents and 17 per cent with two parents). The authors concluded that appropriate childcare provision could move between a sixth and a half of children out of poverty today (Waldfoegel and Garnham, 2008).

## **Supporting working mothers**

The evidence suggests that the availability of informal care, childcare arrangements that fit with mothers' working hours, good quality and affordable childcare, and the availability of appropriate jobs with flexible arrangements, are all key factors that enable mothers to work outside the home. A substantial minority of lone mothers were able to work because they received childcare subsidies through working tax credits.

Analysis of mothers who were not in employment shows that a substantial proportion reported childcare as a barrier to work. It was mainly mothers in couples who could afford to stay at home (i.e. did not need the money), while a substantial minority of lone mothers could not 'afford' to work (i.e. not earn enough to make it worthwhile). The proportion of mothers who were not working because they did not want to lose their benefits has declined considerably since 1999, probably due to the introduction of tax credits which have made work financially more attractive to families with low earning potential. Lack of flexible employment continues to be an obstacle to employment, particularly for lone mothers not in employment.

## **Quality, cost and the mixed economy**

The United Kingdom is unusual in Europe in having a mixed economy of childcare – a childcare market. In fact it is dominated by the private, voluntary and independent (PVI) sectors, which make up more than 80 per cent of provision (Phillips *et al.*, 2009). Although a market-led system, it is arguably not very responsive to parental demand. Also, quality is mixed and can be volatile. According to Ofsted, quality is worst in the most disadvantaged areas with standards as likely to deteriorate as to improve. Ofsted have also found that quality is best in the maintained sector and in children's centres and worst in the private sector (although the range of quality in the PVI sector is very wide). Yet only high quality early childhood education and care has been shown to make a positive contribution to the cognitive and social development

of children. High quality is consistently shown to be associated with degree-level qualified staff. As a result there has been a considerable focus on improving skills and qualifications in the workforce.

There have been various initiatives involving ‘pump-priming’ funding to expand the provision of childcare, particularly in disadvantaged areas where the market does not function effectively and there is a shortage of places. The presence of high quality childcare in maintained children’s centres improves quality in the most deprived areas, but one centre cannot meet the needs of every local family. And, there remain sustainability issues for these providers once the initial funding has expired. Further, low rates of pay in early childhood education and care mean that those working in the sector are often eligible for tax credits themselves and count among the ‘working poor’. The number of men working in the sector remains low at around 2 per cent and whilst it raises equality issues, it also fails to reflect wider trends, such as fathers wanting greater involvement with their children’s education and care.

Sustainability and the need to improve quality whilst addressing affordability remain key challenges for the mixed economy of childcare. If quality is to be improved by improving qualifications and therefore pay, then these new costs will be passed on to parents unless other funding sources are found. Parents already pay the lion’s share of childcare costs in the United Kingdom, compared to other European Union countries (Plantenga and Remery, 2009).

## **Conclusions and implications**

The childcare landscape has changed considerably in the last decade. Much has been achieved, but there remain considerable childcare gaps, for example for disabled children, older children, out-of-school and holiday provision and childcare for those working atypical hours. Other outstanding issues include: the need to improve quality, increase affordability, respond to parents’ preferred working patterns and the needs of the mixed economy of childcare in terms of subsidy and workforce development. To date, the most successful and most well-used and popular development to come out of the childcare strategy is the free entitlement for 3 to 4 year-olds.

Parents’ own aspirations, when asked, seem to be way ahead of the arrangements they make in practice, both in terms of the responsibilities of mothers and fathers and the type of childcare they use. In practice, provision, including flexible working and parental leave entitlements, still lag behind parents’ needs and expectations. One consequence of this lag is that it perpetuates a still largely gendered division of

labour in the home around care of children that in turn constrains parental preferences and 'choices'.

One of the least well-developed parts of the childcare strategy is extended schools provision both before and after school and in the school holidays. The continued high level of use of informal childcare is one response to this situation, with grandparents often providing wraparound care, for example, around school hours. Those without access to this care have to find more expensive solutions with the result that many mothers confine their work ambitions to school hours jobs often with poor prospects and low pay. Parents of very young children are often faced with the most expensive type of childcare and, perhaps not surprisingly, most only use a very modest number of hours in response.

The assumed preference for part-time work is not so prevalent in those countries with more highly developed childcare and parental leave support in place. In the United Kingdom, mothers' part-time work acts as a substitute for a fully developed system of early childhood education and care and extended schools facilities. In turn this underpins the gender pay gap, leads to lower lifetime earnings and poorer benefit and pension entitlements. For some parents, informal childcare and part-time work will remain a preference, but it is hard to separate this preference from outstanding gaps in parental leave, flexible working and childcare provision. It also reflects a lack of awareness of the advantages of high quality early childhood education and care.

A wide range of parents still say they want better and more affordable childcare. Given that the childcare strategy has focused attention on disadvantaged families, it is a matter of some concern that childcare choices still seem to be more readily available to those who can afford to make them. Affordability divides families and is a particular barrier to low-income and lone parent families, though it is also a key consideration for a wide range of parents. Some parents have not traditionally used formal childcare and typically, the most disadvantaged families are still less informed and less likely to use it, even when it is free. Helping families to combine work and care is an essential step in achieving equality by enabling equality of access to the labour market for women and a chance for men to spend more time caring for their children. Appropriate childcare can support more types of families into employment and at the same time improve child outcomes, thus reducing child poverty in the longer term, and what is good for the child is good for the mother and father.

## **Implications**

Given concerns over the rate and duration of funding for childcare services, careful consideration needs to be given to the appropriateness of the mixed market in



delivering parents childcare preferences. Further, as the childcare market does not always meet the gaps in provision, the role of the maintained sector (as outlined in the Childcare Act, 2006) may need to be reinforced. For example, local authorities may need to expand maintained childcare provision where there is evidence of general market failure, particularly in the most disadvantaged areas. Also, it is evident that teacher-led maintained provision is often the provision of choice for more disadvantaged parents and it is usually the highest quality. Efforts should be made to accommodate clear preferences for such maintained, teacher-led provision.

There needs to be greater investment in early childhood education and care to guarantee quality services for those who want them. Greater investment would contribute towards the sustainability and the quality of the sector. However, in a time of national economic cut backs, this will be a challenge. Excluding Sure Start, current spend on early childhood education and care is just over £4 billion, compared to £30 billion on secondary schools and £23.4 billion on Higher Education (Goddard and Knights, 2009). A recent report suggests that investment in early intervention and universal services, including early childhood education and care, would save the United Kingdom economy £486 billion over the next 20 years and would improve child wellbeing (Aked *et al.*, 2009). Estimates by the Institute for Fiscal Studies for Daycare Trust show that a total spend of £9 billion would be needed to raise all group-based care to high quality standards – around 1 per cent of Gross Domestic Product. This would be line with international recommendations, for example, the Organisation for Economic Co-operation and Development and the United Nations Children’s Fund suggest that this should be an initial target.

In the current financial climate, it is important to consider the role flexible working can play in helping parents to combine work and care. Employers have recently made use of these in response to the recession. Early reports from the Commission's Working Better series have already called for better flexible-working arrangements. Given that those families who have access to flexible working report greater levels of satisfaction with their work–life balance, there is a clear need to promote the benefits of flexible working for both families and employers. Supporting families in combining their work and family lives needs to extend beyond the limited options usually on offer, for example, part-time working. Options need to reflect the diversity of families by having a diverse range of options available to them.

Looking ahead, the coalition Government to date is committed to continue with the previous Government’s plan to extend the free entitlement from 12.5 to 15 hours a week, offered flexibly over a minimum of three days. The coalition also plans to continue with the pilot projects of free entitlement for two year-olds for around 20,000 disadvantaged children and to expand these as resources allow. This is to be

provided by a diverse range of providers, with an improved gender balance in the workforce. Shared parenting is to be encouraged by promoting a system of flexible parental leave. The right to request flexible working for all will be introduced in consultation with business which would extend further flexible working rights to all groups including grandparents to support them in their work and caring roles. However, extended schools, quality and affordability have not been addressed to date. Tax credit cuts announced in the emergency budget will reduce financial support for childcare costs. Inevitably, this will affect the work and childcare options for parents with children in the early years.

# **1 Background**

## **1.1 Introduction**

This review was commissioned to inform the Equality and Human Rights Commission's (the Commission's) 'Working Better' programme. Launched in July 2008 Working Better is a policy initiative to explore how the aspirations of employees can be matched with the needs of employers in ways that meet challenges for the economy and individuals in modern Britain. This includes reviewing the needs of parents, carers, disabled people, young people and older workers. Phase one of Working Better considered what parents felt would make a difference to them in managing their working lives, focusing on supporting families and exploring modern ways of working. It looked at the constraints created by current parental leave arrangements and the extent of flexible working in supporting parents' choices in their caring and working roles.

The Commission's phase one, 'Working Better' report found:

Parents primarily want a wider range of flexible job opportunities in all types of jobs. They also want: policies that reflect the social and economic benefits of integrating work and care; more financial support from the Government for paternity and parental leave; and more affordable childcare.

(Equality and Human Rights Commission, 2009: 8)

The report highlights that whilst Britain stands out internationally for its long maternity leave allowance, albeit at a low rate of pay, it is relatively weak in supporting other parental leave. It has very short paternity leave and other countries offer flexible working alongside parental leave, whereas Britain does not.

The report recommends:

More flexible and affordable childcare, including through extended schools, to support different working patterns for parents.

(Equality and Human Rights Commission, 2009: 57)

The report goes on to recommend that businesses also need to become more flexible (operating beyond nine to five) to support both workers and to compete more successfully.

Current policy does not go far enough in supporting the diversity of family needs. Parents still want more support in balancing their work and care responsibilities, calling for affordable, accessible, flexible and quality childcare (Ellison *et al.*, 2009).

## **1.2 Background and aims**

Childcare is an issue of equality. Access to affordable, flexible and quality childcare is key to supporting working parents and enabling non-working parents to have access to (and remain in) the labour market and achieve social mobility. Although some parents prefer to look after their own children, most will use some form of childcare. For them work is a necessity and key to enabling them to fulfil their aspirations. In practice it is women who are disproportionately responsible for the majority of childcare in families. As a result it is women who find that they have fractured work patterns and diminished labour market returns that impact on them and their families, including their children. Fathers would like to spend more time with their children, but current initiatives do not appear to be supporting them to do so.

The issue of equality also raises the fact that families in Britain have a diverse range of needs and preferences in combining their work and family lives. However, childcare is not always a matter of preference. The ability to pay for childcare is key in determining access. Childcare is essential in achieving equality by enabling equality of access to the labour market for all women and access to having more time with their children for men. Access to childcare can support more families into employment, thus reducing child poverty.

The Equality and Human Rights Commission commissioned this literature review to consider the role of early childhood education and care (ECEC) in supporting **all** families in combining their work and family life. The review aims to assess the extent to which parents' work and care aspirations are being met through existing initiatives and examines the role of childcare in meeting the changing needs of families and workers in the 21<sup>st</sup> century.

Families are not a homogenous group. There is a diverse range of families with a diverse range of needs. However, previous research into the care and work aspirations of families has either tended to homogenise families or to focus on one specific subgroup of family. Here we aim to bring together existing work to unpick the diversity of families and their work and care aspirations. Central to the report will be

to consider the access to, use of and preferences around ECEC services by equality groups and characteristics (such as family type, socio-economics, ethnicity, gender, disability, sexual orientation and religion or belief) and how ECEC is supporting parental aspirations in combining work and family.

The focus on combining work and family life is located in a context of ensuring quality of family life and childhood. The review, therefore, seeks to understand how childcare for pre-school and school-age children can be improved in order to enable parents to meet their work and care aspirations.

Through the lens of equality, the aims are to:

- Identify parents' preferences for childcare of pre-school children.
- Assess the impact of childcare on outcomes for children.
- Identify the key ingredients for quality childcare.
- Assess if current funding, the availability (including frequency, timing) and location of childcare provision supports or hinders parents at work.
- Draw out policy and research implications arising directly from the findings and make suggestions to the Commission for future development of policy and research work.

Key research questions included:

What are the childcare preferences for the following groups of working parents:

- lone parent families
- ethnic minority
- religious and non-religious
- lesbian, gay, bisexual and heterosexual
- disabled parents.

Do preferences for childcare differ according to gender, parental age, family type, employment status, socio-economic status and industry?

Does the type of childcare have any impact on children's behaviour, socialisation skills and cognitive development?

What are the key ingredients of quality childcare offered to children?

What are the key ingredients of quality childcare, as perceived by parents?

How well does existing childcare provision meet the needs of working and non-working parents?

### 1.3 Method

The literature review was conducted by the Daycare Trust and the University of Plymouth. It was not a systematic review. It involved:

1. Reviewing existing quantitative data on the supply, use and preferred use of ECEC at national (England, Scotland, Wales and Northern Ireland, where available) and regional levels, and by equality groups/characteristics, with a focus upon family composition, deprivation status, ethnicity, religion or belief and sexual orientation).
2. Reviewing qualitative data on the supply, use and preferred use of ECEC, quality and outcomes, by equality group/characteristics, where available.

Given that qualitative research is often small scale and not conducted at a national level, it is used to enable greater insight into the factors influencing supply, use and preferred use of ECEC.

The literature review was conducted between December 2009 and May 2010. The initial stages involved reviewing the most recent, major sources of well established data on the supply and demand of childcare, including: the *Childcare and Early Years Providers Survey* (Phillips *et al.*, 2009), the *Childcare and Early Years Survey of Parents* (Speight *et al.*, 2009), *Childcare and Early Years Provision in Wales - A Study of Parents' Use, Views and Experiences* (Bryson *et al.*, 2006b) and findings from the *Growing up in Scotland* study. Later stages of the review involved searching government department publications (such as the Department for Work and Pensions and the then named Department for Children, Schools and Families) and databases of professional and academic research articles, including Ingenta Direct. Search terms started at the broad level (e.g. childcare, early years education, early childhood education and care) and were then broken down according to the themes of the report (e.g. childcare quality, childcare and child outcomes, childcare and employment, childcare and parental preferences) and the equality strands (e.g. childcare and ethnicity, childcare and religion, childcare and lone parents). In considering the equality strands, relevant campaign and support groups were contacted to ask for any known literature. This involved email requests and website searches. The literature was grouped and analysed thematically.

## 1.4 Definitions

The report refers to Early Childhood Education and Care (ECEC) as an umbrella term. On occasion 'childcare' is used as shorthand for ECEC services. Where more of a distinction is needed the report refers to 'early years education' or specific types of 'childcare' as outlined below. Where not otherwise qualified, 'early years education' means the 'free', 12.5 hours a week, term time only, provision of early education that can take place in nursery schools, nursery classes, reception classes, pre-schools, playgroups and with childminders who have completed the necessary training.

Childcare encompasses both registered formal childcare and informal childcare (see Table 1). Registered childcare is those providers who are required to register with the appropriate governing body for each of the devolved administrations. Those required to register will be providing services for children under the age of 8, for more than 2 hours a day, for remuneration and in a location other than the child's home.

**Table 1: Types of childcare**

Type of childcare	Definition	Types of providers
Registered childcare	Includes some or all of the following: Providing services for children under the age of 8, for more than 2 hours a day, for a fee, in a location other than the child's home.	Childminders; children's centres; day nurseries; extended schools; out-of-school services or kids' clubs; holiday playschemes/clubs; preschools/playgroups; nursery schools and classes.
Voluntarily registered	Includes some or all of the following: Providing services for children over the age of 8, for less than 2 hours a day, in the child's home.	Childminders; home child-carers, day nurseries; extended schools; out-of-school services or kids' clubs; holiday playschemes/clubs; nannies (although many do not go on the voluntary register) some parent/carer and toddler groups (although they are not legally required to register).
Informal childcare	Provision that is not required to register (such as that provided by a member of the family) or that which has chosen not to register.	Care provided by family, friends and ex-partners.

Those providing care for children over 8, in the child's home, or for less than 2 hours a day can register as part of the voluntary registration scheme. The voluntary nature of the scheme means that it is up to the discretion of the provider whether they chose to register. Only providers who are registered enable parents to access working tax credits.

Informal providers are those who do not register and mainly constitutes the care provided by family (ex-partners, grandparents) or by friends (although in some instances it may be that the care should be registered).

This report considers services for children from birth to 14, or 16, for those with Special Educational Needs (SEN). Table 2 offers a summary of the different types of care that are included in this report.

**Table 2: Types of provision**

<b>Type of provider/description of care</b>	<b>Definition</b>
Childminders	Self-employed childcare providers who provide childcare for children from birth upwards, in their home, for a fee. In some instances childminders will have completed additional training to provide the free early years education entitlement. They will be registered.
Children's centres	Services vary depending on the nature of the centre, but many provide childcare for children under the age of 5, early years education for 3 and 4 year-olds and other family services. Services may be provided at one site or via several sites. They will be registered.
Crèches	Occasional childcare, such as at leisure centres. They will be registered if they are open for more than four hours a day or if the parents are not in the immediate area or if they provide care for children under 8 for more than 14 days a year.
Day nurseries	Provide childcare for children under the age of 5 and early years education for 3 and 4 year-olds. They will be registered.
Extended schools	Schools that are open beyond the normal school day in order to offer childcare and other community services. The care may be provided by the school or in partnership with another childcare provider. Can include breakfast and



	after-schools clubs, and holiday clubs. May be registered.
Holiday play schemes/clubs	Provide childcare during the school holidays, generally for children age 4 to 14. Can be on a school or another site. May be registered.
Nannies	Nannies will be employed by the parent to care for children within the child's home. They may register on the voluntary register.
Nursery schools and classes	Provide the free early years education places either on a primary school site or in a standalone site. Are part of the maintained sector. They will be registered.
Out-of-school services or kids' clubs	Generally provide services for children between 4 and 14. Tend to be term time and can be referred to as breakfast clubs and after-school clubs. They may be registered.
Preschools/playgroups	Provide play and education sessions for children aged between 2 and 5 (although some may start at aged 3). Where applicable they will offer the free early years education entitlement. Additional wraparound care (see below) can also be purchased. They will be registered.
Wraparound care	Where a setting offers the free early years education entitlement they may offer 'care' services in addition to the 12.5 hours of early years education. These care services are known as wraparound care. They will be registered.

As can be seen in Table 2 there are numerous forms of provision that fall under the heading ECEC, including: childminders, day nurseries, creches. Further, there are instances where the types of provision will overlap, such as day nurseries that also offer early years education and extended schools that offer holiday play schemes. Where it is possible to identify an overlap in provision, this will be identified in the report. However, in many instances it is not always clear where provision overlaps.

## 1.5 Report structure

Chapter 2 gives an overview of the policy developments that have taken place to support families in combining their work and family lives and why ECEC is important for both families and wider society. The chapter briefly considers the policy developments that took place prior to the introduction of the National Childcare Strategy (NCS) in 1998 before turning to focus on the developments that have taken place in the last 12 years, such as the introduction of the 10 Year Strategy in 2004. Beyond policy developments that are specific to ECEC provision, the chapter also considers the extension in maternity entitlements, the introduction of paternity leave,

parental leave and flexible working. Through considering the various policy developments, the chapter looks at the dual nature of ECEC policy: supporting parental employment and improving child outcomes.

Chapter t3 highlights the extent of childcare provision. The chapter acknowledges that since the introduction of the NCS, ECEC provision has largely increased, but that despite the overall increase in provision there remains a number of gaps. It also includes what support is available for provision and payment of ECEC services.

Chapter 4 reviews parental use of ECEC services, including both formal and informal childcare. Chapter 4 starts to unpick the diversity in use among families. In particular the chapter begins to explore the use of ECEC along diversity strands. This leads into chapter 5 where there is a consideration of parental preferences around the use of ECEC and where there are gaps in the provision of ECEC. Chapter 5 acknowledges that the decision to use ECEC is complex, but that in many instances decisions are constrained by a lack of affordable, accessible and flexible ECEC.

Chapter 6 considers the importance of quality when looking at ECEC. The chapter considers what is quality in ECEC looking at things such as group size, staff qualifications, staff pay, stability of the staff group and the premises of a setting. In addition the chapter looks at what parents look for in a quality ECEC setting. The importance of quality in ECEC leads into the role that ECEC plays in supporting the social, emotional and cognitive development of children as is considered in chapter 7.

All of the previous chapters contribute to chapter 8 where we consider the policy and research implications of the findings of the literature review. The policy and research implications include recommendations for the future shape and direction of ECEC including greater support for the introduction of shared parental leave, the role of flexible working in supporting families to combine their work and care aspirations, closing the gaps in ECEC provision and improving the affordability of services.

## **2 The policy context**

### **2.1 Introduction**

This chapter considers the case for policy interest, investment and support for ECEC services and includes initiatives that have been put in place for England, Wales and Scotland, either collectively, or individually, with references to Northern Ireland, where helpful.

### **2.2 Policy before 1998**

Prior to the introduction of the NCS in 1998, policy and financial investment in ECEC services in the UK had centred on limited offers of financial support towards the cost of services for parents and a small scale initiative to expand the provision of out-of-school care. Some local authorities in all of the devolved administrations had taken a decision to provide early years education and care services, but there was no national state directive to do so (Campbell-Barr, 2010a).

Childcare (outside of the education system) was mainly seen as a private, family matter rather than a state responsibility. Families made private decisions about the use of ECEC and the market responded to the demands of parents, with varying degrees of success. As a result, access to childcare was patchy at best. In 1997 there was only one childcare place for every 9 children under 8 and availability was often dependent on where families lived and in, many cases, whether they could afford to pay (Butt *et al.*, 2007). Parents had to make informal arrangements to meet their childcare demands.

The lack of childcare facilities (and the high costs where it did exist) impacted on the ability of parents (more specifically, mothers) to engage in paid work. Together with the unequal share of responsibility for children in families between mothers and fathers, the poor provision of childcare contributed to family poverty by restricting many mothers of school-age children to low-paid work within school hours and term-times. Those with younger children struggled to find childcare to support employment. As a result, routes out of poverty were severely restricted, particularly for lone parents (see Butt *et al.*, 2007, Campbell-Barr, 2010a). Equally, there was increasing international evidence signalling the benefits of ECEC for child social and cognitive development (see Chapter 7).

## **2.3 The introduction of the National Childcare Strategy in 1998**

In 1998, the Labour Government of the time set out its NCS in the green paper *Meeting the Childcare Challenge* (DfES, 1998). Whilst many of the issues raised in the green paper were relevant for the whole of the UK, *Meeting the Childcare Challenge* was specific to England, with each of the devolved administrations publishing their own strategies. This was the first time that a UK government had established a national commitment to ECEC, providing both financial and policy support. The NCS heralded a number of policy initiatives. The key principles of the strategy were to address the quality, affordability and accessibility of childcare and early years education.

To improve access to early years education and childcare places, a series of funded initiatives to support the expansion of places were developed, such as the New Opportunities Fund and the Neighbourhood Nursery Initiative (NNI). The former was about supporting the expansion of childcare (particularly among out-of-school providers) and the latter supported the expansion of early years education places. In addition, the NCS introduced Sure Start, at a local level first and later nationally. Sure Start local programmes were designed to deliver the best start in life for every child, bringing together childcare and early years education provision with family support services. Sure Start local programmes became Children's Centres and are considered in section 2.4.

A number of developments have taken place to improve the quality of childcare provision. In 2000 in England the registration of all early years education and childcare providers moved to the jurisdiction of Ofsted (the Office for Standards in Education). Prior to this Ofsted only registered maintained early years education providers, with all other early years education and childcare providers being registered by local authorities. The move to Ofsted ensured an England wide level of minimum standards. Whilst there were separate care and education registrations and variations in the registrations between the maintained and non-maintained sectors, in 2008 all early years education and childcare providers were registered under the one set of standards: The Early Years Foundation Stage (EYFS). The EYFS brought together the various registration documents that had preceded it. To further improve the quality of ECEC the qualification levels of those working in the sector have also been improved.

Improving the affordability of childcare was supported by the introduction of a tax credit system. As it now stands, parents are able to access support towards the cost of childcare via the childcare element of tax credits. Under this, parents are able to claim up to 80 per cent of the cost of childcare on a means tested basis. Tax credits

are available to parents in England, Scotland, Wales and Northern Ireland. Parents of children aged 3 and 4 are also able to access free early years education places for 12.5 hours a day, term time only. The new coalition government incumbent from May 2010, have extended the commitment of the previous government to increasing the entitlement to 15 hours, and there will be greater flexibility in when parents can access early years education. Again, this is available in all of the devolved administrations.

This is not an exhaustive list of the initiatives that have and are taking place under the NCS, though they signal its scale and intent.

In Wales, after a review of the childcare strategy, the National Assembly published a Childcare Action Plan for Wales in 2002 which mirrors certain aspects of the NCS including free places for 3 and 4 year-olds and a focus on disadvantaged 2 year-olds in the equivalent of Sure Start – known as Flying Start.

In 1998 Scotland published the green paper: *Meeting the Childcare Challenge, a childcare strategy for Scotland*. The Scottish strategy also includes free places and childcare partnerships and an early years curriculum framework for 3 to 5 year-olds. Work is also underway on a single curriculum from age 3 to 18.

The Northern Ireland Childcare Strategy – *Children First* – was published in 1999 and includes 25 Sure Start programmes.

## **2.4 The introduction of the Ten Year Strategy in 2004**

In 2004, the Ten Year Strategy, *Choice for parents, the best start for children* was announced. Building on work that had already taken place in England, the Ten Year Strategy was committed to three key principles: ensuring every child has the best possible start in life; the need to respond to changing patterns of employment and ensuring that parents, particularly mothers, can work and progress in their careers; and the legitimate expectations of families that they should be in control of the choices they make in balancing work and family life.<sup>i</sup>

The Ten Year Strategy continued the support for affordable, accessible and quality childcare provision for children up to the age of 14 (16 for those with SEN), alongside the continued offer of free early years education, whilst also proposing greater choice and flexibility to both the provision of childcare and early years education. For example it committed the government to extending free early education places for 3 and 4 year-olds from 12.5 to 15, flexible hours a week for 38 weeks a year from

2010, with a long-term goal of 20 hours per week. Expansion of childcare facilities also continued, for example under supply-side funding via schools and local authorities to establish extended schools. In addition, Sure Start centres, which had been introduced prior to 2004 were to become Children's Centres: multi-agency centres providing services for families with children under the age of 5 with a commitment to expand the number to 3,500 centres by 2010, which has now been achieved.

ECEC has been the responsibility of the Department of Children, Schools and Families (DCSF) (formerly the Department for Education and Skills and now the Department for Education) in England and Wales. In Scotland it falls under the Department for Education and Life Long Learning. However, ECEC is a cross-Governmental issue, for example the role of childcare in removing barriers to, and supporting employment is pertinent for the Department of Work and Pensions (in England and Wales). The commitment to support working parents was cemented in the 2006 *Childcare Act* (covering England and Wales), whereby local authorities have a statutory duty to ensure sufficient childcare for working parents, to manage local childcare markets and to provide information, advice and assistance to parents. These duties will shortly be added to by new duties under the *Child Poverty Act* 2010.

In addition to the role of childcare in supporting parents in employment, there have been amendments to legislation for new parents. In 1999 rights to 13 weeks unpaid parental leave was introduced for each parent, The 2002 *Employment Act* (OPSI, 2002) increased statutory maternity leave to six months paid leave and a further six months unpaid leave, introduced paid paternity leave of two weeks and introduced adoptive leave of six months paid leave following the adoption of a child, followed by a further six months unpaid leave. In addition all parents and carers are entitled to request flexible working. Maternity leave has since been extended to 12 months leave – nine months paid – but at a relatively low-level of pay. The previous Labour Government planned that from 2011 the second six months will be transferable from mothers to fathers under the Additional Paternity Leave Regulations.

Table t3 contains a summary of some of the key ECEC policy developments.

**Table 3: Selected ECEC key policy developments**

<b>Date</b>	<b>Development</b>
1993-6	Out-of-School Childcare Initiative
1994	Childcare Disregard
1996	Nursery Education and Grant Maintained Schools Act (Free early years education for 4 year-olds)
<b>1998</b>	<b>Introduction of the National Childcare Strategy</b>
1999	Sure Start Local Programmes first introduced, providing integrated services for families
2000	Quality standards introduced for childcare providers via the Care Standards Act
2001	Neighbourhood Nurseries Initiative (supporting the expansion of nursery places)
2001	Free early years education for all 3 and 4 year-olds
2002	Inter-departmental review of childcare 'Delivering for Children and Families'
2002	Employment Act – introduction of paternity and adoption leave
2003	Full Employment in Every Region publication
2004	Extended schools introduced
<b>2004</b>	<b>Ten Year Strategy introduced</b>
2006	Childcare Act Published – local authorities are to manage the market and ensure sufficient childcare
2009	Introduction of the Early Years Foundation Stage
2010	3,500 Children's Centres (formerly Sure Start Local Programmes) to be established by 2010
2010	From Autumn, free early years entitlement is to be for 15, flexible hours a week
2010	From October, all lone parents with a youngest child age 7 to make themselves available for work
2011	Planned introduction of the Single Funding Formula to create a level playing field for early education funding across the maintained and PVI sectors (subject to confirmation by the coalition Government)

At the time of writing, those involved in ECEC were awaiting the publication of the spending review to see what the future will hold. Early indications suggest that early years education provision will continue, though tax credits have already been reduced (HM Treasury, 2010). However, the firm details of future policy developments for ECEC are yet to be confirmed.

## 2.5 The policy drivers behind investment in Early Childhood Education and Care

Two main principles have driven the policy developments of ECEC in the UK. First, the commitment to the early years education agenda has been driven by the substantial evidence of positive and long-lasting *impacts on child outcomes*, including social, emotional and cognitive development. This has included the desire to reduce the gap between the most disadvantaged children and their peers (particularly in terms of educational achievement). Second, for other types of childcare (for under threes, wraparound childcare, and out-of-school services for school aged children), the development of provision has been mainly driven by the *child poverty and parental employment agendas*. Such provision differs significantly from that for the early years: it is only part funded; and funding is not universal, but targeted mainly at working parents and disadvantaged groups. Costs of provision have been supported through a mixture of fixed-term government funding given directly to providers, through initiatives such as the earlier NNI, and payment from parents, supplemented in some cases by demand-side funding such as tax credits and welfare to work support through Jobcentre Plus.

The NCS broadly reflects European directives to support families in combining work and family life (see EFILWC, 2009). However, the twin strategy of providing universal early years education for all young children while targeting and funding childcare for working parents, is a different approach from that developed in some other European countries. In the Nordic countries, for example, integrated ECEC is seen as a 'public good' (OECD, 2006). In England, some efforts have been made to bring these strands together, for example, through the Early Years Foundation Stage (EYFS), OFSTED, the development of the Early Years Professional (EYP), and the move to bring government responsibility for children together into one department – the Department for Children, Schools and Families (formerly the Department for Education and Skills and now the Department for Education).

## 2.6 Summary

Prior to 1998 and the introduction of the NCS there had been limited financial or policy intervention from the state in the provision of ECEC. The launch of the NCS delivered the introduction of free early years education for all 3 and 4 year-olds; the introduction of Sure Start, a system of capital funding to support the expansion of childcare and early years education places; and a move to a national registration process. Further, the strategy significantly developed areas such as support for the cost of childcare. The NCS made the connections between the role of ECEC in



supporting access to the labour market (and career pathways) for mothers, addressing child poverty, through better family employment and supporting child development through quality services for children.

### **3 The provision of childcare**

#### **3.1 Introduction**

This chapter considers the supply in ECEC services. It reviews the provision of ECEC and the funding that is available to parents to enable them to access services. The chapter includes who is providing ECEC in relation to the staffing of settings, and the funding support that is available for providers.

#### **3.2 The types of ECEC services available**

There are a number of different services available that cater for the ECEC needs of different age groups. Table 4 offers a summary of the registered services available for the age groups of children. The table demonstrates the different services that are available in relation to childcare (such as full daycare, childminders and out-of-school care) and those that relate to early years education (such as pre-schools and nursery schools). The table adds to those in Chapter 1 by making more explicit the age groups of children being provided for. In reality, the divide between services is rarely this distinct. For example, those who offer full daycare can also provide after school clubs.

**Table 4: ECEC services by age of child**

<b>Service</b>	<b>Age Group</b>	<b>Description</b>
<b>Childcare</b>		
Full Daycare	0-8 (registered by Ofsted) 8+ (voluntary registration)	Over 4 hours a day in any non-domestic premises (excluding children's centres). May include free early years education places for 3 and 4 year-olds.
Full Daycare in a Children's Centre	0-5 (registered by Ofsted)	Over 4 hours a day in a children's centre. May include free early years education places for 3 and 4 year-olds.
Sessional Care	0-5	Under 4 hours a day in any non-domestic premises. May include free early years education places for 3 and 4 year-olds.
Childminder	0-8 (registered by Ofsted) 8+ (voluntary registration)	Provision of care for a child within the care provider's home.
Out-of-school care	From aged 4 or 5 upwards. Those catering for children up to and including age 8 are registered by Ofsted and services for those aged 8+ can be included on the voluntary register	Over 2 hours a day before school, after school or during the school holidays. Includes holiday clubs, breakfast clubs and after school clubs.
Crèches	0-8 (registered by Ofsted)	'Occasional' care for over 2 hours a day in permanent or temporary premises.
<b>Early Years Education</b>		
Nursery Schools	3-4 (includes 2 year-olds in pilot areas)	Provides early years education. Can be either the maintained or PVI sector.
Reception Classes	3-4 (includes 2 year-olds in pilot areas)	Provides early years education. Maintained sector.
Pre-school	3-4 (includes 2 year-olds in pilot areas)	Provides early years education. Can be either the maintained or PVI sector.

### 3.3 Supply of formal childcare

The introduction of the National Childcare Strategy in 1998 introduced a positive trend in the provision of childcare places. There is now one childcare place for every 3 children under age 8 (Butt *et al.*, 2007) as compared to one place for every seven children in 2002 (Daycare Trust, 2002).

According to Philips *et al.* (2009) there were around 2.5 million OFSTED registered childcare places in England in 2008, a 33 per cent increase from 2003 (Table 5). Of these, 1,684,800 were provided by full daycare settings, sessional providers, after school and holiday clubs and childminders and 817,400 places were registered early years provision in maintained schools.

There was no growth in places between 2007 and 2008. In this period the provision of early years places reduced by 6 per cent, though childcare places increased by 4 per cent. Changes in how places are counted may account for some of this apparent decline. For example, sessional providers becoming full daycare settings would account for the apparent decline in sessional provision and distort the overall picture of growth. However, when looking at Table 5 it would appear that the growth in ECEC has slowed and is close to stalling<sup>ii</sup> resulting in remaining challenges in the supply of childcare.

There were 73,645 childcare places available in Wales in 2009, an increase of more than 1,200 places from 2008, and the highest figure for the seven years of available data. Since 2003 there has been an increase in childcare places of nearly 4,000 (Stats Wales, 2010). In Scotland (the data relates to the number of childcare centres including childminders) the trend has been less positive, with a fall in centres from 10,468 in 2006 to 10,320 in 2009 (The Scottish Government, 2009).

**Table 5: Number of Ofsted registered places in England**

	Number of Registered Places					% Change			
	2008	2007	2006	2005	2003	From 2007 to 2008	From 2006 to 2008	From 2005 to 2008	From 2003 to 2008
<b>Full daycare</b>	620,700	596,500	544,200	511,100	431,600	4%	14%	21%	44%
<b>Full daycare in a Children's Centre</b>	50,000	51,100	37,700	NA	NA	-2%	33%	NA	NA
<b>Sessional</b>	243,500	248,100	278,300	265,400	325,300	-2%	-13%	-8%	-25%
<b>After school clubs</b>	282,700	259,900	260,100	NA	165,100	9%	9%	NA	71%
<b>Holiday clubs</b>	262,600	230,300	263,900	NA	121,700	14%	0%	NA	116%
<b>Childminders</b>	275,300	291,500	272,600	275,600	NA	-6%	1%	0%	NA
<b>Total childcare</b>	<b>1,684,800</b>	<b>1,626,400</b>	<b>1,619,100</b>	<b>NA</b>	<b>NA</b>	<b>4%</b>	<b>4%</b>	<b>60%</b>	<b>61%</b>
<b>Nursery schools</b>	30,600	28,400	28,100	NA	26,900	8%	9%	NA	14%
<b>Primary schools with nursery and reception classes</b>	511,200	533,000	477,300	NA	494,500	-4%	7%	NA	3%
<b>Primary schools with reception but no nursery classes</b>	275,500	306,300	286,100	NA	321,700	-10%	-4%	NA	-14%
<b>Total early years</b>	<b>817,400</b>	<b>867,600</b>	<b>791,500</b>	<b>NA</b>	<b>843,100</b>	<b>-6%</b>	<b>3%</b>	<b>NA</b>	<b>-3%</b>
<b>Total overall</b>	<b>2,502,200</b>	<b>2,494,000</b>	<b>2,410,600</b>	<b>NA</b>	<b>NA</b>	<b>0%</b>	<b>4%</b>	<b>NA</b>	<b>33%</b>

Base: Childcare providers 2008, 2007, 2006, 2005, 2003. Early years' provision in maintained schools 2008, 2007, 2006, 2003

Source: Phillips *et al.*, 2009: 36.

### **3.4 Regional differences in the supply of formal childcare**

There is considerable regional variation in the supply of formal childcare. Considering England, there is a wide variation in provision across the Government regions. For example, of the 8,800 holiday clubs on offer, 21 per cent were in the North West, compared to 8 per cent in the East of England (Table 6). The population and/or geographical size of the region explain some of the distributions of provision, though this does not account for all of the variation. There is also some limited evidence that geographic variations may be due to historical levels of political support in the different regions for childcare and early years education prior to the NCS (see Campbell-Barr, 2010b). However, there is a need for more exploration in order to fully understand the differences between the geographical areas. But it is clear that parents face a varied patchwork of services across the country. Further, the patchwork will vary depending on the age of the child and the service that is required. For example, rates of holiday clubs and after-school clubs are low in all regions.

In Northern Ireland there is stark variation in supply between the east and west (DHSSPS, 2007). Childcare availability also differs widely across both Scotland and Wales. In Scotland, data has been broken down by local authority and broadly reflects the patterns from England, in that in areas where there is a higher population (Edinburgh and Glasgow for example), they tend to have higher levels of childcare and early years education provision (The Scottish Government, 2009). There are nearly twice as many places for 1-4 year-olds in Edinburgh and Aberdeen compared to North Lanarkshire and West Lothian (Gender Audit, 2007). The Scottish Government (2009) also highlights the variation between rural and urban areas. In Wales, there are fewer registered places per child under 8 in the Valleys than other parts of Wales with 19 children for every childcare place in Blaenau Gwent compared to 3 in Denbighshire (WAG, 2004). Again, the difference between rural and urban areas is highlighted.

The lower levels of childcare provision in rural areas may be accounted for by the smaller populations. The Welsh Assembly Government have highlighted that the solutions to addressing the lack of childcare provision in more rural areas will require careful consideration as the business models that are adopted in urban areas will not apply (WAG, 2010). More also needs to be known about the nature of the demand for childcare provision in rural areas, such as how far parents are willing to travel to access childcare.

**Table 6: Distribution of providers by Government Office Region**

	<b>Full day care</b>	<b>Full daycare in Children's Centres</b>	<b>Sessional</b>	<b>After school clubs</b>	<b>Holiday clubs</b>	<b>Child-minders</b>	<b>Nursery schools</b>	<b>Primary schools with nursery and reception classes</b>	<b>Primary schools with reception but no nursery classes</b>
<b>Total number of providers</b>	13,800	1,000	8,500	8,800	6,500	56,200	450	6,700	8,700
<b>East Midlands</b>	8%	6%	10%	7%	7%	8%	8%	7%	11%
<b>East</b>	10%	8%	16%	8%	11%	12%	9%	9%	13%
<b>London</b>	14%	21%	11%	16%	15%	17%	18%	19%	4%
<b>North East</b>	13%	22%	10%	13%	14%	14%	8%	9%	3%
<b>Yorkshire and Humberside</b>							7%	14%	8%
<b>North West</b>	14%	13%	10%	21%	13%	11%	18%	17%	14%
<b>South East</b>	18%	10%	21%	14%	17%	19%	11%	7%	20%
<b>South West</b>	12%	7%	13%	8%	12%	9%	4%	4%	17%
<b>West Midlands</b>	12%	13%	8%	12%	11%	9%	15%	13%	9%

Base: All childcare providers 2008. All early years providers in maintained schools 2008.

Source: Phillips *et al.*, 2009: 23.

### **3.5 Gaps in childcare provision**

Despite increases in childcare places, 93 per cent of local authorities report gaps in childcare provision including: childcare before and after school, holiday care, provision for children with SEN and disabilities, childcare for parents working atypical hours, and, in some places, care for those under 2 (OPM, 2008). In addition, smaller scale studies identify the importance of investigating supply at more localised levels within regions, as the supply is not always matched to where there is demand (Campbell-Barr, 2009b). More generally, the evidence suggests that the supply of holiday care, out-of-school care for the secondary school-age group and childcare for those working outside of standard business hours is inadequate. Over a third of parents felt there were insufficient childcare places available in their area, a figure that has not changed significantly since 2004 (Speight *et al.*, 2009: 137).

### **3.6 Impact of the recession**

There is limited and mixed evidence of the impact of the recent recession upon the supply of childcare. Already two of the country's largest employers are considering pulling out of childcare voucher schemes to save money (Harrington, 2009) demonstrating the uneasy economic relationship that employers have with supporting childcare for parents. Whilst there is evidence to show that parents may be removing their children from childcare, resulting in falling occupancy levels, the childcare market is not yet in crisis (Children and Young People Now, 2009). Equally, other providers are reporting mothers returning to work to bring more money into the household (Caluori, 2009).

### **3.7 Funding streams for parents**

Table 7 provides a summary of the funding streams available to parents (with the exception of maternity and paternity leave).



**Table 7: ECEC funding streams for parents**

<b>Funding Stream</b>	<b>Entitlement</b>	<b>Who Is It For</b>
Tax Credits	Covers up to 80% of childcare costs. (This is subject to change following the publication of the Spending Review).	All families using registered childcare, but it is means tested so those on high wages are less likely to be eligible.
Employer Supported Childcare Vouchers	Variable	All families, but will be dependent on where the parent works.  Not generally useful for those entitled to tax credits.
Salary Sacrifice	Variable. Employees have some of their salary allocated to pay for childcare with an employer paid subsidy	All families, but will be dependent on where the parent works.  Not generally useful for those entitled to tax credits.
3 and 4 Year-Old Early Years Education Funding	2.5 hours a day for 38 (term time) weeks. Offer is to be extended to 15 hours and to be more flexible in how it is accessed.	All 3 and 4 year-olds (and 2 year-olds in pilot areas).
Regional Initiatives	Variable	Some areas have run additional funding schemes to encourage the use of childcare, such as the Childcare Affordability Programme in London.
DWP Pilots	Variable	Working lone parents. DWP have run various pilots that have offered 'bonus' parents to working parents that can help pay for the cost of childcare e.g. the In Work Credit and help with 'up-front' childcare costs.

To help address concerns regarding the high costs of childcare, the Government introduced a system of tax credits. Parents can claim up to 80 per cent of the cost of childcare through the childcare element of the working tax credit, but due to the high costs of childcare in this country, the 20 per cent shortfall is often still significant (see, for example, Millar and Ridge, 2008). The system is also means tested, so the

amount received decreases as income levels increase. Whilst in theory those on lower incomes receive the most support for the cost of childcare via the tax credit system, there has been criticism that the claims process is too complicated and off-putting (Butt *et al.*, 2007, Goddard and Knights, 2009, Daycare Trust Listening to Families series). The risk of overpayment that became a problem shortly after the introduction of the scheme is chief among the factors putting parents off. This problem was addressed by the introduction of new thresholds and disregards, designed to ease the risk of overpayment. However, the recent emergency budget in June 2010 has reduced these easements dramatically leading inexorably to the return of the overpayment problem (HM Treasury 2010).

In addition to the tax credit system there are other funding streams to support the cost of childcare. However, currently funding for childcare is very complicated, with different funding streams depending on parents' work status, the age of children, location (both in terms of which British country and which local authority area the parent lives in) and eligibility for various discrete programmes such as the Childcare Affordability Programme in London, the Working for Families programme in Scotland and Genesis Wales.

Although working parents may also be entitled to employer supported childcare, this is dependent on individual employers, and is not available to all parents. The last comprehensive figures from Her Majesty's Revenues and Customs in 2006, suggested that only 2.5 per cent of organisations were offering access to a salary sacrifice or a childcare voucher scheme, the majority of these running salary sacrifice schemes (HMRC, 2006). Of these only 6 per cent paid salary in addition to the main tax and National Insurance (NI) benefits. However, such schemes covered some 36 per cent of employees (175,000) suggesting it had mainly been taken up by larger employers. More recent figures, collated by HMRC from 12 voucher companies, suggest that the number of employers has since increased significantly to around 30,000 with around 300,000 employees in receipt of vouchers by October–December 2008 (Goddard and Knights, 2009). The average amount received in tax and NI savings was slightly less than the full potential entitlement at £220 per month per employee. More than two-thirds of employees claiming vouchers/salary sacrifice were lower-rate tax payers.

There is also a plethora of funding streams available for parents in education and training, but many parents are still falling through the gaps and are unable to secure funding for childcare while they study (see Daycare Trust, 2007f). For example, in England for Further Education students there is Care to Learn for teenage parents, Learner Support Funds, and Free Childcare for Training and Learning for Work for couple parents on low incomes. One of the difficulties is that with so many funding

streams learners are rarely certain of the funding they receive when they apply for a course, therefore decisions about study and childcare can be difficult. Even once a funding stream has been identified, childcare funding for students rarely covers all costs and normally runs out part-way through the year, so students applying late are unlikely to receive support. In addition, some colleges are closing their (normally subsidised) on-site nurseries because of a lack of funding (Daycare Trust, 2007f).

Many lone parents have to rely on Jobcentre Plus funding (through the New Deal for Lone Parents) but this can limit their choice of course depending on the priorities of the local Jobcentre Plus area. In addition, work around lone parents has demonstrated that trying to combine work, training and childcare is incredibly complex and can hinder lone parents from pursuing further training (see Hoggart *et al.*, 2006).

### **3.8 Supply side funding**

Numerous funding streams were set up to support the expansion of childcare places, such as the NNI and the New Opportunities Fund. More recently funding to establish new childcare and early years education places for the under fives has focused upon Children's Centres, with other funding streams being made available to support the expansion of out-of-school facilities for children aged over 5.

Although 'pump-priming' funding (for example through the NNI and New Opportunities Funding) to establish new provision has been crucial, especially in disadvantaged areas where the childcare market does not function effectively, there are concerns regarding the sustainability of settings once funding has ceased. A concern from the outset was that short-term funding did little to help predict the long-term viability of settings and although the funding streams sought to create a more business like provider (Harries *et al.*, 2004), there is evidence to demonstrate the sector still struggles with economic viability. Those working in childcare often have poor business skills and struggle to ensure economic viability (see Campbell-Barr, 2009a). In 2006, 16 per cent of day care settings and 17 per cent of out-of-school services made a loss (Kinnaird *et al.*, 2007).<sup>iii</sup>

Scotland has also experienced problems with funding streams that came to an end, resulting in a lack of continuity in the provision of services. For example, there was funding for pre-school provision for vulnerable 2 year-olds, but this was not extended beyond 2008 (Wolfson and King, 2008).

Many early years education providers believe that there is not enough funding for the free entitlement (in England) and that there is inequality of funding rates between the maintained and PVI sectors. For this reason the Labour administration decided to implement the Early Years Single Funding Formula (EYSFF) in each local authority (see Campbell-Barr, 2009b). The EYSFF involved a process whereby local authorities conducted research into the true cost of providing early years education in their areas. As a result of the research, each local authority came up with a single formula that would determine the rate of funding that providers would receive for delivering early years education with no distinction between the maintained and PVI sectors (see DCSF, 2009a). However, there were concerns over the quality of the research and how 'fair' the EYSFF really was. The maintained sector feared that a shift from a rate of funding per place offered to a rate of funding per head would threaten their viability. This resulted in a decision to delay the implementation of the EYSFF by a year (see DCSF, 2009b).

One of the key concerns surrounding the economic stability of early years and childcare settings and the perception that they are underfunded is that it could have negative consequences for the quality of settings (for example see Campbell-Barr, 2009b). Even where funding has been made available to help develop the quality of settings, for example via supporting staff training, there are concerns that the funding is not adequate. The Graduate Leader Fund is currently available until 2011 but childcare settings are wary of using the fund to employ someone if it is then not available post-2011. Also, there is no funding to ensure that once staff have improved their qualifications this will result in better pay and progression (Daycare Trust, 2008b). No political party yet has a policy in place to address this. The qualifications of the ECEC sector will be considered in more depth in Chapter 6.

### **3.9 The childcare workforce and gender**

Early childhood education and care is characterised by a low-paid, gendered workforce – 98 per cent are women. It has been widely assumed that being female is both qualification and reward for working in the sector. This perception, along with low pay, has been enough to deter many men from working in this field (see for example: McGrath and Knights, 2009).

In 2008 the proportion of male staff in the workforce in England stood at:

- Full daycare - 2%
- Full daycare in children's centres - 2%
- Sessional - 1%

- After school clubs - 7%
- Holiday clubs - 14%
- Childminders - 2%
- Nursery schools - 2%
- Primary schools with nursery and reception classes - 1%
- Primary schools with reception but no nursery classes - 1%

Source: Phillips *et al.*, 2009.

Arguments to increase the numbers of men include the benefits of recruiting from a wider pool of labour, the combined skills and experiences of a more diverse workforce and evidence that suggests children can benefit from seeing men in childcare as it challenges gender inequalities (see Rolfe, 2006). It has also been argued that to drive-up pay for those working in ECEC you need to recruit more men (see Owen, 2003). However, Owen (2003) acknowledges that to suggest that men are needed to drive up levels of pay could be seen as devaluing the work that women are already doing within the ECEC sector. Further, recruiting more men is complex with issues around definitions of who is an appropriate ECEC worker (see Daycare Trust, 2003, Rolfe, 2006 and McGrath and Knights, 2010).

Evidence from abroad suggests that despite the deliberate emphasis on equalities in the Nordic system and the fact that children start school later, only 8 per cent of the Danish workforce is male. In Norway, there has been a threefold increase in representation of men in the childcare workforce from 3 per cent in 1991 to 10 per cent in 2008. A target has been adopted from the European Commission for Childcare recommendation, for 2010, to achieve 20 per cent male workers. However, some municipalities have already achieved 25 per cent through a combination of funding, local structures, networks, continued project development and monitoring to show progress, indicating that progress is possible.<sup>iv</sup>

### **3.10 Summary**

The NCS has been largely successful in increasing the level of childcare and early years education provision across the UK. However, the growth in places has slowed since the NCS was first introduced and a number of gaps remain in the provision of service. Supply is also variable across geographical regions.

The NCS has also been successful in increasing the financial support available to parents to pay for childcare and early years education. Tax credits to contribute towards the cost of childcare and the funding of free early years education places are the two key areas of financial support. Whilst the help towards the cost of childcare

and early years education is welcomed, there are still flaws in the system, for example the tax credit system is complicated and off-putting. Further, there has also been an increase in supply side subsidies for the provision of childcare and early years education, but again the support available has been criticised. For example there are concerns that the rate of funding for the provision of free early years education is insufficient.

The NCS has increased both the overall level of provision as well increasing the financial support for both parents and providers. However, the increase in support has also highlighted where there are still areas for improvement. The following chapter looks in more detail at where there is room for improvement.

## **4 Childcare use**

### **4.1 Introduction**

In this chapter we look at the use of ECEC services, including early years education and formal and informal childcare. The chapter also considers the use of childcare by diverse groups of parents and, in doing so, begins to explore how the use of childcare varies across families.

### **4.2 Age of children receiving childcare**

In 2008 in England, 5.5 million children aged 0-14 were receiving childcare overall, 3.8 million were receiving formal provision, and 2.9 million were receiving care from informal providers (Speight *et al.*, 2009).

Three and 4 year-olds were the most likely to receive childcare, with 90 per cent in some type of childcare and 10 per cent in none. Eighty-six per cent of 3 and 4 year-olds received formal and 39 per cent informal childcare. The figures reflect the universal offer of free part-time early years education for this age group, as well as a greater general need for childcare for pre-school children compared with older children. This contrasts with 0-2 year-olds, of whom 59 per cent received some type of childcare, with 38 per cent receiving formal and 37 per cent receiving informal childcare. Twelve to 14 year-olds were least likely to be receiving childcare, with 50 per cent in some type of childcare: 26 per cent receiving formal and 27 per cent receiving informal childcare (Speight *et al.*, 2009).

The age range of children affects the overall averages, with 66 per cent of children aged 0-14 receiving any type of childcare provision and 34 per cent receiving none in 2008 (Speight *et al.*, 2009).

Eighty-five per cent of eligible 3 and 4 year-olds were attending the free early years education entitlement (78 per cent of 3 year-olds and 91 per cent of four year-olds) and 93 per cent use early education in general in England (Speight *et al.*, 2009). The Government estimate of those using some free hours is higher at 92 per cent of 3 year-olds and 98 per cent of 4 year-olds (HM Government, 2009). Take-up of free, part-time places in Scotland in 2006 stood at 97.4 per cent, according to the Census and in Wales at 95 per cent for children in their pre-school year in 2003/04.

### 4.3 Proportions of children receiving formal and informal provision

Sixty-five per cent of parents in England (3.7 million families and 5.5 million children) used some kind of formal or informal childcare in the last week, or 73 per cent if new data for 2008 is used that is not comparable to previous years (Speight *et al.*, 2009).<sup>v</sup> Thirty-five per cent (27 per cent non-comparable) used no childcare at all (Speight *et al.*, 2009). However, it is worth noting that some places will be used by more than one child, depending on the systems for attendance (see Phillips *et al.*, 2009).

Childcare for the 0-4 age group is dominated by formal early years education provision like day nurseries, nursery classes and playgroups. Low proportions of this age group receive childcare from childminders and nannies. Childcare for the 5-14 age groups is dominated by breakfast and after school clubs, both on and off site. Childminders feature in similar proportions for this age group, though virtually disappear for the 12-14 year-olds.

Parents' use of formal childcare rose between 1999 and 2004 and then reached a plateau between 2004 and 2007, before seeing a further rise from 40 to 45 per cent (56 per cent on the new measure) of families in England in 2008 (Speight *et al.*, 2009). The patterns of use inevitably reflect changes in the level of provision of childcare, for example the latest increase in formal childcare use is likely to reflect the expansion of extended schools (Speight *et al.*, 2009).

The most recent evidence shows no equivalent rise in use of informal childcare, falling slightly from 42 per cent to 40 per cent between 2004 and 2008. Forty-one per cent of families used informal care in the latest *Childcare and Early Years Survey of Parents* (Speight *et al.*, 2009). This represents 2.9 million families and 3.8 million children using formal childcare and 2.1 million families and 2.9 million children using informal care (Speight *et al.*, 2009). The most common source of informal childcare is grandparents – 26 per cent of all childcare used, followed, at some distance, by friends and neighbours (7 per cent), ex-partners or another relative (6 per cent each) or older sibling (4 per cent). Twenty-two per cent of 0-14 year-olds on average receive informal childcare from grandparents and three in 10 (30 per cent) of 0-2 year-olds. The figure declines with the age of the child, reducing to 12 per cent of 12-14 year-olds receiving grandparental childcare.

In the light of current welfare reform strategy and the significant gaps in childcare provision for older children, the use of informal childcare may become more significant and this needs to be monitored. There is, for example, evidence from the US that older children caring for younger siblings may have poorer outcomes, see section 8.3 'Impact on children'.



#### **4.4 Combinations of formal and informal childcare used**

Many parents will use a combination of formal and informal care. Twenty-five per cent of parents (children aged 0-4) in England used only centre-based care, 19 per cent used a combination of centre-based and informal care, and 14 per cent used only informal care. Where a combination of informal and centre-based care is used, more hours, on average, will be spent in the centre-based care (Speight *et al.*, 2009 and Smith *et al.*, 2009). Both the overall rates of use and the time spent in different forms of care suggest that the rate of formal childcare use is slightly higher than that of informal use. While it is evident that families use a patchwork of childcare arrangements, it is not clear to what extent this reflects parental choice, or lack of services that can meet families' needs – at a price they can afford.

There is evidence to suggest that informal arrangements can sometimes be vulnerable and subject to change, for example, some grandparents become recipients rather than givers of care (Millar and Ridge, 2008).

#### **4.5 Childcare use by family composition and work status**

Use of formal childcare has increased among lone parent and two parent families. For example, the use of formal childcare for lone parents in 1999 was 23 per cent, compared with 33 per cent in 2004 whilst for two parent families it was 31 per cent and 43 per cent respectively (Butt *et al.*, 2007).

Use of formal childcare is strongly associated with work status. Children from two-parent families where both parents worked were more likely to receive formal childcare (53 per cent) than those who had only one parent in work (38 per cent), or whose parents were not working (23 per cent). Forty-nine per cent of working lone parents used formal childcare compared to 33 per cent of non-working lone parents (Speight *et al.*, 2009).

Lone parents are less likely to use formal care than two parent families and more likely to use informal care. Forty-one per cent of lone parent families were using formal childcare in 2008, compared with 46 per cent of two-parent families. Lone parents were much more likely to use informal care – 42 per cent compared to 31 per cent – often using an ex-partner (Speight *et al.*, 2009).

#### **4.6 Childcare use by deprivation status and family income**

Formal childcare use is much higher in less deprived areas in England – 53 per cent in the least deprived quintile and 34 per cent in the most deprived quintile.

There is also an association between use of formal childcare and family income.

Fifty-eight per cent of families with incomes of £45,000+ used formal childcare, compared to a third of families with incomes below £10,000 (Speight *et al.*, 2009).

The Government did not meet its Public Service Agreement target to increase the number of children taking up formal childcare in lower income families. The proportions have increased (26-29 per cent), but the number has not (falling from 615,000 to 438,000) (see Speight *et al.*, 2009). This is mainly accounted for by changes in the estimated number of children in low-income families – on comparable estimates there has really been no change in use.

#### **4.7 Childcare use by ethnic group**

When ethnicity is analysed, it is Pakistani and Bangladeshi families that are least likely to use formal childcare. Only 15 per cent used formal care and 11 per cent used informal childcare, compared to 46 and 36 respectively among White children in England (Speight *et al.*, 2009). The low employment rates of Pakistani and Bangladeshi women are well documented (e.g. Dale, 2005; Equal Opportunities Commission, 2007) and it is clear that there is a relationship between work status and childcare, i.e. those in work are much more likely to use formal childcare.

According to Tackey *et al.* (2006), many Pakistani and Bangladeshi women positively choose to give primacy to family life. It is a view that is shared by different generations of women. There is evidence that they are discouraged from participating in the labour market and they consider their chances of finding suitable jobs within a reasonable time to be small (Tackey *et al.*, 2006).

In a study by Aston *et al.* (2007), many of the women interviewed wanted to look after their children themselves, with the help of their families. Informal childcare from the extended family was common, but use of formal childcare was relatively rare. Many women felt that husbands were now taking an active part in looking after their children. Some women were clear that they would not want to use formal childcare, but some of the younger women pointed out the socialisation and developmental benefits that formal childcare could have. Cost of childcare was seen as a potential barrier by some women, particularly those who would probably be limited initially to relatively low paid work as a result of their skills and experience (Aston *et al.*, 2007).

Some immigrant families may also face barriers when accessing information on the services available (Kamenou, 2008).

#### **4.8 Childcare for disabled children**

Childcare specifically for disabled children is both scarce and expensive, and care for children of disabled parents is an under-explored area of research. The Daycare Trust conducted a small-scale study that found that childcare use for disabled children varies considerably depending on the child's disability, but that there was very little or no use of formal childcare (Daycare Trust, 2007d). Some parents were critical that childcare providers were not appropriate for some disabled children, such as those with autism, and that staff were not appropriately trained to deal with disabled children. According to Speight *et al.* (2009), children with SEN were less likely to receive formal childcare (37 per cent) than those without SEN (45 per cent), while the apparent difference in the use of informal childcare was not statistically significant.

The DCSF launched The Disabled Children's Access to Childcare (DCATCH) project in 2007. The project released £35 million for the period 2008-11 to improve access to childcare for disabled children and young people. Ten local authorities took part in the pilot projects and reports on their success are due next year. Further money has been made available in 2010 for every local authority.

#### **4.9 Childcare of children facing multiple disadvantage**

Children experiencing multiple disadvantage have low levels of childcare use and yet arguably have the most to gain from it. Multiple disadvantage is defined as those families who have five or more points of disadvantage (see Speight *et al.*, 2010). Points of disadvantage in Speight *et al.*'s (2010: 11) study included:

- Lone parent families
- Non-working families (no parents in paid employment)
- Families with an annual household income of under £20,000 (or, for families where income is unknown, being in receipt of Job Seeker's Allowance, Income Support, Housing Benefit or Council Tax Benefit)
- Families including 3 or more children aged 0-14
- Families living in one of the 20 per cent most disadvantaged areas of the country (as defined by the Index of Multiple Deprivation)

- Families where all parents have no or low qualifications (no GCSE/ O levels at grade A-C)
- Families where at least one parent has a long-standing illness or disability
- Families living in rented accommodation (as a proxy for social housing)
- Families where at least one child in the household has a special educational need, or long-standing illness or disability.

Those experiencing multiple disadvantage were much less likely to receive formal childcare (including the 3/4 year-old free entitlement) and also less likely to receive care from grandparents – both for pre-school and school-aged children (Speight *et al.*, 2010).

#### **4.10 Childcare use by other characteristics**

None of the routine childcare surveys currently collect data on the sexual orientation, religion or belief, or transgender status of parents. The use of childcare for lesbian, gay and bisexual (LGB) parents was collected by Ellison *et al.* (2009). The findings are indicative and not representative. For LGB parents, the figures suggest they are more likely to draw upon informal childcare like grandparents and other family members (also see Williams and Saunders, 2007), than parents on average, though this could be accounted for by other factors e.g. income, region, work status, that were not controlled for in the analysis. For the largest religious groups in the survey, Jewish and Christian, there were no observed differences in use of childcare compared to the average.

#### **4.11 Childcare use by region**

There were no significant regional variations in childcare use, with the exception of London, where rates of any childcare use were 55 per cent, compared to 64 per cent nationally (Speight *et al.*, 2009). Use of informal care in London is particularly low, at 23 per cent compared to a national average of 34 per cent, but this is not off-set by a higher rate of formal childcare use.

#### 4.12 Costs and childcare use

Childcare in the UK is expensive, and costs continue to rise. Estimates of the average hourly spend for childcare vary and can be influenced by factors such as type of care and access to 'free' hours. Speight *et al.* (2009) found that the mean hourly rates paid for childcare in 2008 were:

– Day nursery	= £4.09
– Childminder	= £4.78
– Nanny/Au pair	= £6.62
– Breakfast/after-school club on a school site	= £3.61
– Breakfast/after-school club off school site	= £4.73

There were strong regional differences in the rates paid, with London having the highest costs.

#### 4.13 Use of childcare in Scotland

According to the Growing up in Scotland study 2007 (Scottish Executive, 2007), 65 per cent of parents were using childcare at the time of the interview. Parents with toddlers (aged 2 and above) were more likely to use childcare than parents of babies -under twos (76 per cent compared to 60 per cent) which mirrors trends in England, and can possibly be explained by the free entitlement to early years education for all 3 and 4 year-olds.

Grandparents were the single most common type of childcare provider used in Scotland. Two-thirds of baby families and 50 per cent of toddler families were using the child's grandparents for regular childcare (Scottish Executive, 2007). The question asked whether grandparents provided care on a regular basis, unlike in England and Wales where the measure was in the last week.

There was little difference in overall childcare use between lone parent families and couple families, although lone parent and lower income households were most likely to be using informal provision (Scottish Executive, 2007).

The employment status of household adults was intrinsically linked to the use of childcare. For example, the proportion of families using childcare was more prevalent where at least one of the child's carers was employed and particularly high when the child's mother was in employment. It follows that households in the higher income brackets were far more likely than those in the lowest income brackets to have

childcare arrangements in place (including formal and informal childcare) (Scottish Executive, 2007).

Childcare use varies in Scotland across rural and urban locations (with an obvious relationship to the supply data considered in the previous chapter). The proportion of families with babies using childcare in small, remote towns and remote rural areas was lower than in all other areas. Around three-quarters (74 per cent) of families in the least deprived areas indicated that they had regular childcare arrangements in place compared to 58 per cent of families in the most deprived areas (Scottish Executive, 2007).

Costs of pre-school childcare and out-of-school clubs have increased in Scotland, according to Daycare Trust's most recent *Childcare Cost Survey* (2010) with nursery costs rising by 8.3 per cent (compared to an inflation rate of 2.9 per cent). Just over a quarter of parents (27 per cent) reported some difficulty in coping with the costs of childcare, unsurprisingly, those with lower incomes found childcare costs hardest to meet. The annual cost of a typical nursery place for children under 2 is now £4,368 for 25 hours of nursery care per week – twice that for a full-time place (Daycare Trust, 2010a). According to the *Growing up in Scotland* study families living in urban areas paid more on average for childcare than families in any other type of area, while families living in accessible rural areas were likely to be paying least for childcare. Parents in remote towns also had relatively low childcare costs for toddlers (Scottish Executive, 2007). While it is important to take into account variations in the type of provision available in these areas, there is some indication that childcare is less expensive in remote or rural areas than in urban areas, showing inequalities in the affordability of childcare.

#### **4.14 Use of childcare in Wales**

In the latest available survey of parents in Wales 2006, two-thirds of families had used childcare in the last week (66 per cent): 38 per cent had used formal care, and 47 per cent had used informal care. As with use over the past year, out of all the childcare providers, families were most likely to have used a grandparent for childcare during the past week (36 per cent). Used by 10 per cent of families, out-of-school clubs (on or off school sites) were the most commonly used type of formal provision in the last week (Bryson *et al.*, 2006b).

There was little difference in the levels of childcare and early years provision between lone parents and couple families, although, again, lone parent and lower

income households were most likely to be using informal provision (Bryson *et al.*, 2006b).

Families earning higher incomes were more likely to use childcare than lower income families, childcare use is also higher among families where at least one parent is in employment. Of all providers, families were most likely to use grandparents and the *Childcare and Early Years Provision in Wales* study (conducted between 2004 and 2005) found that two-thirds of families had relied on a grandparent at some point in the last year to provide childcare (Bryson *et al.*, 2006b).

Nursery costs in Wales increased in 2010 for children under 2 by 6.8 per cent, for over twos, costs rose by 11.3 per cent (with current inflation at 2.9 per cent). The average yearly expenditure for 25 hours nursery care per week, for children under 2 stood at £4,056. By contrast, the average weekly costs for out-of-school clubs decreased from £41 to £39, a fall of 4.9 per cent (Daycare Trust, 2010).

#### **4.15 Summary**

The use of childcare varies between families. For example, it is evident that lone parents, non-working parents and lower income parents use less childcare. Further, ethnicity can also have a bearing on childcare use. Those with disabled children also use less childcare. This raises the importance of considering the extent to which it is parental preferences that determine the lower levels of use, or whether it is about a lack of appropriate and affordable places, or something else. The next chapter considers issues around parental preferences and the use of early years education and childcare.

## **5 What parents need**

### **5.1 Introduction**

In this chapter we look at parental preferences around the use of early years' education and childcare. There are no routine and repeat surveys that consider parental preferences at national levels. Therefore, the information presented in this chapter is drawn from a number of different sources. In particular the chapter looks at qualitative data that has explored the complex nature of parental preferences. In the chapter we investigate the factors that influence parental preferences, including the practical (such as the availability of services), financial (such as the cost of care) and moral (such as beliefs around what it means to be a good parent).

### **5.2 Modern parents, work and childcare**

The majority of modern parents no longer think about work and childcare in 'traditional' terms. Fathers want to spend more time with their children and parents want to share work and childcare. Forty-four per cent of fathers think they currently spend too little time with their children and half think they spend too much time at work (Ellison *et al.*, 2009).

A minority of parents (29 per cent) believe that childcare is the primary responsibility of the mother, or that fathers are responsible for providing for the family (38 per cent). However, although many parents do not think along 'traditional' gender divides, the arrangements they have in place for work and childcare are often constrained along traditional lines. Over three-quarters of mothers state that in day-to-day life they have the primary responsibility for childcare in the home. There are significant differences between the perceptions of men and women about whether they share responsibility for childcare equally. Whilst a third of men believe that they share equally, only 14 per cent of women agree (Ellison *et al.*, 2009). Nearly 6 in 10 (58 per cent) fathers believe that it is possible for partners to share responsibilities around work and childcare equally. However, fathers who want to spend more time with their families face challenges in doing so (Equality and Human Rights Commission, 2009).

Among non-working parents with pre-school-aged children, lack of available flexible part-time (32 per cent) and full-time (16 per cent) employment were important factors in not working. Of those with children aged 6 to 16, 24 per cent cited a lack of available flexible part-time employment and 13 per cent said full-time employment was lacking (Ellison *et al.*, 2009).



### 5.3 Employment and the age of the child

An extremely important factor is the age of the youngest child. In the UK, mothers typically return to work after they have exhausted any maternity pay entitlement, contractual or otherwise. Although three-quarters of mothers are entitled to additional maternity leave, many take less time off. In 2007, 16 per cent took less than the statutory 26 weeks and 35 per cent took exactly 26 weeks; 46 per cent took between 27 and 52 weeks and only 3 per cent took more than 52 weeks (La Valle *et al.*, 2008). The more generous the payments while on maternity leave, the more likely it is that the mother will return to her job. Eighty-seven per cent of mothers receiving statutory maternity pay and occupational maternity pay returned to work, compared to 41 per cent who received no maternity pay (La Valle *et al.*, 2008)<sup>vi</sup>.

The picture for paternity leave contrasts to that of maternity leave. Take-up of paternity leave has been found to be at 55 per cent (Ellison *et al.*, 2009). Of those who have not taken it 88 per cent would have liked to, but 49 per cent felt they could not afford to and 19 per cent cited being too busy at work or feeling there would be a negative response from their employer as reasons for not taking it up (Ellison *et al.*, 2009). This demonstrates that paternity leave is not engrained in employment patterns in this country. Research suggests that having fathers actively involved in bringing up their children is associated with a range of positive outcomes for children, such as improved peer relations, lower criminality, higher education and occupational mobility and higher self-esteem (see Equality and Human Rights Commission, 2009) and take-up of paternity leave could encourage this involvement.

When children are aged 3 and 4, maternal employment and childcare use increase sharply. This reflects the availability of the free part-time nursery provision for 3 and 4 year-olds, and also the widely shared view that formal childcare for children in this age group is beneficial. As noted earlier, maternal employment and use of childcare is lower in low-income as compared to higher-income families, but the **increase** in employment and childcare usage as children move from age 1 or 2 to age 3 or 4 is greater, reflecting the importance of the free offer. Considering any childcare use, 59 per cent of those aged birth to 2 and 90 per cent of those aged 3 and 4 were in childcare. Breaking this down to look at formal childcare provision shows rates of 38 per cent for those aged birth to 2 and 86 per cent for those aged 3 and 4 (Speight *et al.*, 2008).

#### 5.4 Choice, necessity and concepts of 'good mothering'

The practical decisions that many parents make involve complex calculations, carried out at the micro level and reviewed and adjusted on a regular basis depending upon the resources at their disposal and the opportunities they have. This means that parents are increasingly flexible between roles and responsibilities, informing the arrangements that they put in place for childcare and work.

(Ellison *et al.*, 2009:11)

The practical issues relate to the availability of care, distance from home, what form of care to use, cost and the duration of care (for example see Hoggart *et al.*, 2006 and Bell *et al.*, 2005). Other practical factors will be based around the sharing of responsibilities within the family home. Although parents do believe they can share work and childcare equally, only 9 per cent of fathers said they have primary responsibility for childcare (2 per cent of whom were lone parents) (Equality and Human Rights Commission, 2009).

In addition to the above practical factors, womens' decisions to enter employment involve consideration of their social concepts of mothering, a child's needs, attitudes towards childcare, career aspirations and financial considerations (Hoggart *et al.*, 2006, Bell *et al.*, = 2005 and Duncan and Edwards, 1999). An ESRC-funded study from the Institute of Education suggests that for working-class mothers in low paid jobs, combining mothering and work was the source of enormous tension between being a 'good mother' and a 'good worker' (Vincent *et al.*, 2008). Vincent *et al* identified a normative set of 'intensive mothering expectations' that assume a child-centred, emotionally absorbing, labour intensive and financially expensive, maternal responsibility for their child's development and wellbeing that is common among middle-class mothers and also serves to criticise the shortcomings of other mothers who fall short of this ideal, including working-class mothers, with fewer resources in terms of time and money (Vincent, 2009). Work offered working-class mothers little flexibility and autonomy and childcare choices were constrained by income. Tax credits limited them to using cheaper childcare most often in the public or voluntary sectors, often supplemented by informal care (with fathers playing an ancillary role).

Reflecting this tension, Daycare Trust have called for flexible, paid parental leave or allowances that give parents the choice to purchase childcare or have a parent stay home when children are under 18 months old (Daycare Trust, 2004), still others call for this period to be longer, for example up to age three (Hakim *et al.*, 2008).

However, the longer such leave continues, the more problematic it could be in terms of gender equality, as it is most likely to be mothers who opt to stay at home. Extended periods out of the labour market could have consequences for career mobility.

Childcare is important for career progression (see Hoggart *et al.*, 2006). An ‘enabler’ to career progression for women is a supportive partner, which can include sharing caring responsibilities (Linehan and Walsh, 2000). The need for support appears particularly pertinent given that both full-time employment, putting in additional hours and geographical mobility are seen as important factors for career progression (Guillame and Pochic, 2009, MacInnes, 2005, Linehan and Walsh, 2000). Thus, flexible leave allowances and flexible working both need to be implemented in a way that does not penalise those wishing to progress their careers.

## **5.5 Qualities required from childcare providers, trust and parental care**

The qualities parents look for in providers influences their childcare choices and employment behaviour. In a 2010 survey, parents ranked the following criteria when choosing childcare: ‘staff, well qualified, trained or experienced’ (74 per cent); ‘warm and caring atmosphere’ (59 per cent); ‘Good Ofsted report’ (44 per cent), and ‘cost’ (36 per cent) (Daycare Trust, 2010). Other research has shown that parents rate good staff, warm and caring atmosphere, quality of buildings and health and safety as priorities (MORI, 2004). Trust ranks high with most parents (Speight, 2009).

As seen in section 4.2, 34 per cent of children received no childcare in 2008 (Speight *et al.*, 2009). Those who do not use childcare either believe their children are at an age where it is not needed or prefer parental care. Among all families who had not used any childcare 68 per cent said they would rather look after their children themselves. Some (2 per cent) cited trust as a reason for not accessing childcare. Whilst the majority of parents want to and are using childcare, the absence of a change in attitudes among the remaining 34 per cent may limit the extent to which the childcare strategy can be effective in increasing maternal employment (Speight *et al.*, 2009).

## **5.6 Mismatch between the services of offer and those required by parents**

A review of Childcare Sufficiency Assessments in England (OPM, 2008) has demonstrated that in some areas there is a mismatch between the services on offer and those demanded by parents. Research conducted by the Scottish Government

on parents' access to and demands for childcare shows that nearly two-thirds (64 per cent) of parents said that they could not access childcare because they could not find anyone suitable to provide it (Scottish Government Social Research, 2007). In addition, 14 per cent of parents who use childcare in a typical week said that there were times during the week when they would like to use childcare but are unable to access it (Scottish Government Social Research, 2007). According to Daycare Trust's 2010 childcare cost survey, parents in Scotland were more likely to report a lack of childcare than in England. Sixty-five per cent of Family Information Services in Scotland in 2010 said that parents reported a lack of childcare in their area (Daycare Trust, 2010). The *Growing up in Rural Scotland* study shows that there is insufficient care for babies and insufficient out-of-school care (reflecting the gaps in provision in other parts of the UK), which will not meet the needs of working mothers who may want to return to the job market before their maternity leave officially ends (Jamieson *et al.*, 2008). In Scotland, among parents of children under the age of 3, half (55 per cent) of unemployed respondents indicated that they would prefer to work or study if they could afford good quality, reliable and convenient childcare (Scottish Government, 2007).

In Wales, Daycare Trust's childcare costs survey found that 69 per cent of Family Information Services (FIS) said that parents had reported a lack of childcare in their area in the last 12 months (Daycare Trust, 2010). The survey results this year show an improvement from last year. A closer look at the data shows that local authorities are less likely to report sufficient childcare for older children and those with disabilities, than under fives.

This lack of suitable childcare remains a barrier to work for more than half of parents (Waldfoegel and Garnham, 2008). This is particularly the case among low-income groups and lone mothers who currently have the lowest employment rates. Over half of non-working lone mothers say they would prefer to work if suitable childcare were available (see for example, Lessof *et al.*, 2001). In England, 28 per cent of non-working parents say that they are not working due to inadequate childcare provision and just over a half said they would prefer to work if they could find good quality, affordable, and reliable childcare (Speight *et al.*, 2009; see also Bivand and Simmonds, 2008).

## **5.7 Flexibility in when the free offer can be used**

The provision of early years education can be offered by providers such as nursery classes and playgroups who still only offer part-time services, and many working parents need to find other (often informal) carers who can provide 'wraparound' care. Even though most day nurseries are open for a full day and for most days of the year, they can be very inflexible and, for example, they do not allow parents to vary the days or hours when childcare is used, or to use a combination of morning and afternoon sessions.

Providers will be required to offer the free early years entitlement more flexibly from September 2010 (HM Government, 2009). There is small-scale research to suggest that providers may struggle to respond to the demands for flexible provision due to the difficulties this creates for managing staffing and planning their finances to ensure sustainability (Campbell-Barr, 2009a). Further, some local authorities have raised concerns over whether early years education providers will be able to meet the flexible offer both due to issues of staffing and sustainability as discussed, but also because some settings do not own their premises and so the decision to offer flexible hours is not theirs to make (Campbell-Barr, 2010b).

There is a need to explore what support providers need to help develop more flexible services. A small amount of movement in the provision of services by childcare providers could go a long way towards helping address gaps in the provision of childcare.

## **5.8 Formal provision outside standard hours**

There is also hardly any formal provision available outside standard hours (before 8am, after 6pm or at weekends), yet we know from research that a growing number of parents need childcare at these times, often to cover atypical working hours (see, for example, Bell and La Valle, 2005; Dickens *et al.*, 2005; Harries *et al.*, 2004; La Valle *et al.*, 2002; and Statham and Mooney, 2003). For example, research into the NNI found that more than half of the parents used their nursery before 8.30am and after 5pm demonstrating the need for this form of care (Bell and La Valle, 2005). Stratham and Mooney (2003) note the long hours culture that is prevalent in the UK, and the increase in the number of occupations with atypical hours (e.g. nursing, police and some manufacturing). They discuss some positive examples of childminders meeting the demand for atypical hours childcare, but such examples are limited. Speight *et al.* (2009) report that providers are operating more hours on average, but demand from parents suggest that this does not go far enough.

When investigating the demand for out of hours childcare, the work–life balance of those working in the childcare sector who already work unpaid hours and face challenges to their work–life balance, will need to be taken into consideration (see Campbell-Barr, 2009a).

## **5.9 Out-of-school care**

As discussed in Chapters 3 and 4, the provision of out-of-school childcare is inadequate. Wallace *et al.* (2009) found that nearly all schools (94 per cent – covering primary, secondary and special schools) offered activities and/or childcare either at or through the school, with 88 per cent of parents being aware of these services. However, there does appear to be some mismatch between the services being provided and those demanded by parents. For example, 52 per cent of schools report providing summer holiday care, but 58 per cent of parents would like to use more activities during the summer. Travelling between the school and the after school care/activity also posed a barrier to use. And often, what is offered by schools in practice is not an 8am to 6pm wraparound childcare offer, but a range of clubs that frequently last for a short period of time after school hours.

The current plans for extended schools do not include supervised care for secondary school children, merely a range of activities, such as arts, sports or specialist interest clubs (with an appropriate adult or adults being present). Parents feel pressure to make sure their children are properly supervised and not getting into trouble and would therefore find such unsupervised provision unacceptable (Daycare Trust, 2007e). Jobseekers Allowance regulations have been amended to allow parents to restrict the hours they are available to work in certain cases, but it seems unlikely that large numbers of jobs are likely to be available that operate only within school hours and term-times (see DWP, 2007c).<sup>vii</sup>

Evidence on lone parents indicates that they are particularly likely to exit employment during the summer holidays (when children are out of school) and also at the time of key school transitions (when children are age 5, 11, and 16) (see Bivand and Simmonds, 2008 and Strelitz, 2008).

## **5.10 Welsh childcare available in the Welsh language**

It is evident that in almost all areas of Wales there is unmet demand for some types of childcare delivered in the Welsh language. In traditionally Welsh speaking areas, parents would like more types of childcare to be available in their first language, and

in non-Welsh speaking areas, some parents who do not speak Welsh themselves often prefer childcare in the Welsh language. This is particularly the case in areas where local Welsh language schools are perceived as providing a better education (Beaufort Research Ltd, 2007).

### **5.11 Improved childcare for children with disabilities**

Just under half (49 per cent) of FIS in both England and Wales that responded to a Daycare Trust survey reported that there was not enough childcare provision in their area for disabled children (Daycare Trust, 2010).

There are indications from some parents of disabled children that some general childcare providers are not appropriate for some disabled children, such as those with autism, and that staff more generally may not be appropriately trained to meet their needs (Daycare Trust, 2007d).

### **5.12 Better information on childcare**

Speight *et al.* (2009) found that parents tended to access information on childcare locally and that it would often be via word of mouth (41 per cent) or from people and places that parents encountered locally such as schools (18 per cent) and health visitors (6 per cent). However, for some social groups, there is less of a culture of using childcare. For example, Speight *et al.* (2009) found that lower income families were less likely than others to mention accessing sources of information on childcare. Given their lower levels of use it would appear that those in receipt of lower incomes could be isolated from information about childcare (Speight *et al.*, 2009). In some instances, there is a need to improve parental understanding of the services on offer. This is more important for some social groups than others, particularly those who suffer multiple disadvantage. And it is now particularly important given recent policy developments and the increased pressure for more lone parents to return to work.

### **5.13 Improving childcare for disadvantaged families and children**

Around a fifth of families paying for childcare struggle to meet the costs. This proportion was significantly higher for lone parents, families with low incomes and those living in deprived areas. The 2008 parents' survey shows that 37 per cent of parents thought that childcare was unaffordable, with cost reported as a barrier to childcare use (and work) particularly among low-income families, lone parents and those not currently using formal childcare (Speight *et al.*, 2009).

As discussed earlier, lower income families are less likely to have used childcare and in some instances they are isolated from information about childcare. Parents in multiple disadvantaged families were less likely to find out about childcare via word of mouth, and more likely to do so via jobcentres. They wanted more information about childcare, including cost, childcare during school holidays, quality and before and after school clubs, but they were much more likely to be negative about local provision than better-off families, including about quality and affordability (Speight *et al.*, 2010). This may reflect the fact that quality is generally poorer in the areas in which they live (Ofsted, 2009a). And over four-fifths of these families are concentrated in areas falling into the two highest-value quintiles in the Index of Multiple Deprivation (Speight *et al.*, 2010).

### **5.14 Flexible alternatives to mainstream provision**

Given that the childcare market has not responded to demands for flexible provision, there is a need to consider viable alternatives. Maintained provision offers a number of solutions, though new and innovative approaches, including approved 'sitter-services' where children stay at home, may be preferable for many families. At present, the Home Childcarers system allows those who provide care for children within the child's home to register voluntarily with Ofsted. Most commonly they represent nannies, but arguably the system could be developed to include childminders/sitters who provide care out of hours, or services where it is difficult for children to leave their home.

Alternatives to group settings could close the gaps in provision, and offer greater choice to families in managing their work-life balance. There are other options to support working parents that are based on the principle of providing true choice to parents, that will help to reflect their preferences for parental care, for example flexible working (but not at the expense of career progression).



## **5.15 Summary**

Modern parents have a diverse range of needs for, and views on, childcare. There are practical, emotional and economic factors that interplay with the decision to use childcare. However, for some families, the practical factors are restricted due to a lack of childcare facilities. For example, in some areas there is a mismatch in the supply and demand of childcare, there is a lack of out of hours childcare and little childcare for children with disabilities. Where there does appear to be more choice in childcare, trust and the age of the youngest child appear to be important determining factors in the decision to use childcare.

Where parents chose not to use childcare, alternatives need to be explored, such as flexible working. However, there does appear to be some evidence to suggest that some groups of parents may be lacking information about childcare. Parents need to have access to information on childcare to ensure that they are making informed decisions about whether to use it. This is particularly important given the next chapter where we consider the benefits of early years education and care.

## 6 Quality

### 6.1 Introduction

In this chapter we look at what constitutes quality and its importance in early years education and childcare facilities. We look at the sector status of the setting (e.g. maintained or PVI), the type of setting (e.g. children's centres or other), group size, ratios, age range and a number of factors relating to staffing. Whilst staffing is central to the quality of settings, the chapter raises the fact that those working in ECEC still receive poor levels of pay.

The focus on quality is pertinent not only for the quality of experience for the children attending the care, but also because of the role that quality plays in contributing to child outcomes (as considered in Chapter 7).

### 6.2 What does quality look like?

According to the Ten Year Strategy (HM Treasury *et al.*, 2004), there would be a continued commitment to quality ECEC services, emphasising the role of the inspection and regulation system, qualified staff and the role of parents as consumers in driving up the quality of services. Quality was important because:

Childcare must be part of a partnership with parents to meet the cognitive, social, emotional and physical needs of children. For too long there has been a false distinction between 'education' and 'care' in early years services that is reflected in different qualifications and regulatory systems. For children, such a distinction has no meaning. Children need a safe and stimulating environment at all times, whether this is provided in their own home, in a nursery school, a day nursery or a childminder's home. A modern childcare system should deliver high quality services for children that enable them to learn, develop social and emotional skills, and explore through play.

(HM Treasury *et al.*, 2004: 44)

This play-based approach was enshrined in the Early Years Foundation Stage (EYFS), introduced in 2008 in England (with similar developments in Wales and Scotland as discussed in Chapter 1). It set national standards for learning and development from birth to age five and brought together earlier frameworks including: *Ofsted National Standards*, *the Foundation Stage* and *Birth to Three Matters*. It

covered both the welfare and development of children, emphasised the importance of play and that children should develop at their own pace. It also outlines key milestones most children will have reached by the age of five, such as interacting with other children and adults and the recognition of simple, written words. It has widespread support in the sector.

### **6.3 The effectiveness of childcare settings**

The quality of childcare is assessed by Ofsted in England, the Care Commission in Scotland, the Care and Social Services Inspectorate in Wales (CSSIW) and the Social Services/Department of Education in Northern Ireland. In England, Ofsted has the early years register for those providing services for children from birth to 5 (e.g. childminders, day nurseries and nursery schools) and childcare services under the compulsory element (those providing services for 5 to 8 year-olds) and the voluntary element (those providing services for the over 8s). In Scotland they have the National Care Standards to cover services including early years education and childcare for children up to the age of 16. In Wales there is a protocol between the Care Standards Inspectorate and Estyn for the regulation of daycare and early years education provision for children under the age of 8. Estyn register early years education services and the Care Standards Inspectorate register childcare. They are looking at conducting joint inspections. In Northern Ireland, registration takes place at the local authority level with those providing services for children over the age of 12 not being required to register. Those who are registered include day nurseries, playgroups, out-of-school care, childminders and crèches.

According to Ofsted, there is still an unacceptable level of volatility in standards in England with standards as likely to deteriorate as to improve from one inspection to another (Ofsted, 2008). Table 8 offers a summary of the most recent data.

**Table 8: Effectiveness of settings as of 30 September 2009**

	Outstanding (per cent)	Good (per cent)	Satisfactory (per cent)	Inadequate (per cent)
How well does the setting meet the needs of children in the Early Years Foundation Stage?	9.3	56.4	30.1	4.1
The capacity of the provision to maintain continuous improvement	10.1	52	34.6	3.3

Source: Ofsted, 2009b.

The majority of settings achieved satisfactory grades or higher, though those receiving outstanding scores were around 10 per cent.

There are similar findings for Scotland where daycare settings are graded 1-6 (unsatisfactory to excellent) by the Care Commission, with 4 per cent of daycare rated excellent for quality of care and support and 81 per cent rated good or very good in the first full year of reported grading results (Care Commission, 2010).

According to the CSSIW annual report, in Wales overall, the quality of daycare services has continued to improve and providers have made good progress in implementing the additional regulatory requirements introduced in 2007 (CSSIW, 2007).

There is encouraging data that demonstrates that standards are improving (Ofsted, 2008). For example, in 2001 in England, 40 per cent of settings were assessed as inadequate, so the reduction to 4 per cent is impressive. But this is based on the old inspection framework and so it is not known to what extent the same trend can be applied to the new integrated inspection framework.<sup>viii</sup> There is obvious room for improvement in the quality of settings based on the minimum standards grades. However, there are inequalities in the quality of services between types of settings (for example nursery schools and classes tend to be of a higher standard than other types of provision) and based on geography, with those in disadvantaged areas generally being of poorer standard (see Ofsted, 2009a).

Local authorities and charity representatives have questioned the consistency of inspections across the country, in relation to how inspectors interpret the minimum standards and whether the inspections are fit for purpose due to the time between

inspections, the duration of inspections and whether those who are inspecting possess the skills needed to do so (Campbell-Barr, 2009b). Other studies have questioned whether the subjective nature of 'quality' can have implications for the reliability of the inspection system (see Gilroy and Wilcox, 1997), and others have demonstrated that the interpretation of legislation and regulation is also a challenge for providers (Callendar, 2000).

There is sparse research in the ECEC sectors that explores the view of providers on the inspection process. In particular, it would be useful to investigate how the inspection process and reports can help providers to develop and improve the quality of their settings. Research by Ofsted in 2005 provides evidence that interactions with inspectors are positive, but only 63 per cent agree that the reports make clear points for consideration.

Ofsted in England, the Care Commission in Scotland and the Care and Social Services Inspectorate in Wales represent the **minimum** standards for quality, many local authorities and charities also offer quality assurance schemes that are designed to develop the quality of childcare services (see Campbell-Barr, 2009b). More needs to be done to improve the co-ordination of quality assurance in childcare.

#### **6.4 What are the key ingredients of quality childcare?**

Much research draws a distinction between 'process' and 'structural' elements of quality (see Dahlberg *et al.*, 1999). Process dimensions are the characteristics of the child's experience, whereas structural dimensions focus on fixed aspects of the environment, such as ratios, staff qualifications etc. Process dimensions are critical to a child's experience and therefore to the quality of provision, for example responsive adult-child interaction and a variety of activities. Structural dimensions, where implemented appropriately, should have a positive impact on process dimensions, for example, higher qualifications should lead to a greater understanding of child development and therefore a variety of stimulating activities and good adult-child interactions. For a more detailed discussion of these issues, see Hill and Knights (2009).

The Millennium Cohort Study (MCS), the Neighbourhood Nursery Initiative (NNI) and the Effective Provision of Pre-School Education Project (EPPE) are three UK studies that have looked at quality in relation to child outcomes in early years settings (i.e. services for children under five). All of the studies have been interested in looking at the structural elements of quality that result in improved child outcomes for children. The structural dimensions that are critical for high quality childcare, as identified

through the three main studies on pre-school childcare (MCS, EPPE and NNI) that have been carried out in England in the last decade are considered below.

#### **6.4.1 Being in the maintained sector**

Being in the maintained sector is a strong predictor of quality. Children attending nursery schools, classes and integrated centres (combining care and education) have better intellectual and social outcomes. Play groups, private day nurseries and local authority nurseries scored lower on the Early Childhood Environmental Rating Scale (ECERS) used by the researchers (Sylva *et al.*, 2004; Mathers., *et al.*, 2007 and Smith *et al.*, 2007). The MCS found that maintained status alone was linked to higher quality, including better social interactions, improved language and reasoning skills, better literacy, maths, science and the diversity of activities (Mathers *et al.*, 2007). The NNI evaluation found fully maintained local authority status was the strongest predictor of quality and gave children the most stimulating environment to develop language and educational abilities and the best quality physical environment. It seems likely that the access to an 'educational infrastructure' including more graduate teachers and access to school resources, and better pay and conditions in the sector must play a key role here in raising quality levels (Smith *et al.*, 2007).

#### **6.4.2 Children's centre status**

Children's centres, which are a statutory service with childcare provision included, have a positive impact on the quality of provision, independent of the sector delivering the childcare. The MCS and NNI indicate it has a stronger influence on quality than type of sector. There was a positive relationship with provision using ECERS ratings for science, diversity and personal care independent of sector. The NNI found higher scores related to social interaction with staff and peers, appropriate group activities and time for free play, rather than just scores for educational activity. Of course the fact that many children's centres are in the maintained sector will also be significant (Mathers *et al.*, 2007 and Smith *et al.*, 2007).

#### **6.4.3 Group size and size of centre**

Once other factors are taken into account, rooms with larger groups of children and larger centres tend to produce better outcomes for children in general, including higher quality interactions and better language and reasoning skills. However, the MCS also found lower quality social interaction for 3 and 4 year-olds in larger centres (Mathers *et al.*, 2007), yet this is contradicted by the NNI which found higher quality for those under 3 and a half in larger centres, including better care routines, language and programme structures.

#### **6.4.4 Staff and management characteristics, including qualifications and training**

All major studies show this to be strong predictor of quality. In particular, having graduate-level, trained teachers, has the greatest impact on quality and child outcomes.

Children made more progress in pre-school centres where staff had higher qualifications, particularly if the manager was highly qualified. Having trained teachers working with children in pre-school settings (for a substantial proportion of the time, and most importantly as curriculum leader) had the greatest impact on quality...

(Sylva *et al.*, 2004 and 2010: iv)

And, Melhuish (2004b) identified six factors related to staff characteristics that support high quality:

1. Higher levels of staff education
2. In-service training
3. Staff experienced in working with children
4. Low staff turnover
5. Adequate staff pay; and
6. A trained centre manager to provide staff support and supervision.

Also, qualifications interact positively with group size and staff–child ratios to produce higher quality. Although, in general, higher staff–child ratios (fewer children per member of staff) are associated with better quality, poorer ratios are offset by the influence of sector type and staff qualifications. This means ratios should not be looked at in isolation. It seems likely that there is also interplay between factors such as staff qualifications, ratios and group size that operate together to have a positive influence.

Numerous policy initiatives have sought to address the qualification and skill levels of the workforce, for example having all early years settings graduate led by 2015. The Childcare and Early Years Providers Survey (Phillips *et al.*, 2009) found that 66 per cent of the workforce are qualified to level three (including A level, vocational A level, advanced GNVQ and Level 3 NVQ) or above, with 11 per cent being qualified to level six (degree level).

Qualification levels are not equitable across sectors and providers. The maintained sector has more staff at level six (degree level) than the PVI sectors. Full daycare and children's centres have 14 per cent of staff with a level six qualification, whilst in all other childcare (including childminders) only 10 per cent of staff had a level six qualification (Phillips *et al.*, 2009).

Qualification levels are rising. However, there is some suggestion that progress may have now stalled. Perhaps the biggest issue is the lack of return for gaining new qualifications in such a low-paid sector and the risk, as a consequence, that those gaining new qualifications will leave the sector.

#### **6.4.5 Pay**

One United States study indicates that quality is strongly associated with staff wages, particularly for teachers, improving both the pool of candidates and staff turnover, (see for example Phillips *et al.*, 2009).

The pay of those working in ECEC has long been criticised for being low (Rolfe *et al.*, 2003, Campbell *et al.*, 2003, Cameron *et al.*, 2003). Although pay levels have increased (see Phillips *et al.*, 2009) there is considerable variation between the different types of childcare provider. In 2008, full daycare providers received on average £7.30 an hour, full daycare in children's centres received £10.40, sessional providers received £7.20, after school clubs received £7.80 and holiday clubs received £8.20 (Phillips *et al.*, 2009). To put this in context, this compares to the UK average wage of £13.92 (in 2009), which is closest to the average wage of those in the maintained sector (£13.40 for nursery schools, £13.30 for primary schools with nursery and reception classes and £13.60 for primary schools with reception, but no nursery classes).

The Low Pay Commission has highlighted that 30 per cent of staff working in ECEC earn at (10 per cent) or below (20 per cent) the national minimum wage (NMW). This is mainly a feature of the private and voluntary sectors (PVI) as only 1.7 per cent were paid at NMW level in the public sector (Daycare Trust, 2008b, Low Pay Commission, 2007 and 2008). And apprentices in the sector also receive very low pay. This exemplifies how the NCS has sought to improve quality to improve child outcomes, but has not yet addressed how affordable childcare can be funded in such a way as to deliver both high quality and proper reward for those working in the sector without eventually passing on these costs to parents. This is often described as the 'quality and cost conundrum'.



#### **6.4.6 Stability of staff group**

Low turnover of staff contributes to high quality, providing both consistency and stability. Again, the interplay between low staff turnover, higher qualifications and the content of activities and premises is significant in improving child cognitive outcomes (Hansen and Hawkes, 2009). Without low staff turnover, consistently high quality childcare is difficult to sustain.

#### **6.4.7 Ratios**

A smaller ratio of children per member of staff is associated with higher quality, although it is hard to separate this out from other factors such as staff qualifications and overall group size. Legal ratios for children and staff are set out in the EYFS. The minimum ratio is 1:3 for children under 2, 1:4 for 2 year-olds, 1:8 for children between 3 and 7 but where there is a qualified teacher, EYP or other level six qualified staff member, the ratio is 1:13. Childminders may care for up to 6 children under 8, but with only 3 under 5 and only one under the age of 1. So where there is a highly qualified staff member, ratios are less significant, and this points again to the interdependency between different factors. Indeed, in order to incentivise quality, ratios can remain lower where there are highly qualified staff.

#### **6.4.8 Age range**

Quality is better when older children are cared for alongside younger children with better outcomes arising from mixed-age rooms. The NNI, looking at children aged under 3 and a half, found younger children in mixed-age rooms benefited from the higher level educational activities and higher level communications intended for the older children, but they were more likely to appear worried and upset by frowning and stamping – although this was quite a weak effect (Mathers *et al.*, 2007 and Smith *et al.*, 2007).

#### **6.4.9 Premises**

Safe and appropriate physical space is considered to be important, in particular outdoor space, and it is usually included in research reviews as one of the structural aspects of quality, for example in the ECERS scales. However, the literature on this is limited. In the EYFS, access to outdoor space is not a specific requirement although it should be provided 'wherever possible' (EYFS, 2008).

## **6.5 What do parents look for from childcare?**

In a 2010 survey, parents ranked the following criteria when choosing childcare: 'staff, well qualified, trained or experienced' (74 per cent); 'warm and caring atmosphere' (59 per cent); 'Good Ofsted report' (44 per cent), and 'cost' (36 per cent) (Daycare Trust, 2010b). Other research has shown that parents rate good staff, warm and caring atmosphere, quality of buildings and health and safety as priorities (MORI, 2004). Trust ranks high with most parents (Speight, 2009). For parents using childminders, 46 per cent cited trust as the principal determinant (Kazimirski *et al.*, 2008).

The DCSF's Quality Improvement Programme<sup>ix</sup> identified that parents tend to choose ECEC through personal recommendation, trust, and convenience. Bryson *et al.* (2006a) in their parental survey of formal childcare use found that reputation, trust and trained staff were important factors, with evidence that understandings of quality could vary according to the type of provision. For example, where children attended after school care, the child's preference was also important. There were also differences depending on the reason for use, as those parents who worked or studied were interested in practicality and reliability. In the 2007 parents survey, 82 per cent of parents using a day nursery knew their provider was inspected, and 63 per cent of those said the inspection report had influenced their decision (Kazimirski *et al.*, 2008). Parents from disadvantaged backgrounds have also stated a preference for 'teacher-led' settings (see for example, Daycare Trust, 2007 'b' and 'e' where lone parents and BME families express this view).

## **6.6 Estimated costs of a high quality model for childcare**

A recent study has shown what it would cost to raise all ECEC to the high quality level, in England, required to deliver improved outcomes for children (Goddard and Knights, 2009). In order to avoid the 'quality and cost conundrum' – where high quality means all new costs are passed on to parents – there would need to be a considerable increase in both public subsidy and parental spend (mostly covered by tax credits). A recent report suggests that investment in early intervention and universal services, including early childhood education and care, would save the UK economy £486 billion over the next 20 years and would improve child wellbeing (Aked *et al.*, 2009). Daycare Trust estimated what a high quality childcare model for England would look like and the Institute for Fiscal Studies estimated the costs. High quality assumed, for example, that at least half the workforce was qualified to degree level and paid at primary school pay rates (see Goddard and Knights (2009) for the underlying assumptions).

Such a high quality system of ECEC would cost approximately £9 billion pounds, around 1 per cent of GDP. In addition to the £4 billion already spent in England, an additional £3.5 billion of public subsidy and two billion from parents would be required, thus doubling current spend on ECEC. This would be in line with international targets from OECD and UNICEF and still below spend in Scandinavian countries. This is still well below the £23.4 billion spent on Higher Education and the £30.1 billion spent on secondary schools according to Goddard and Knights.

## **6.7 Summary**

Despite the clear emphasis on quality early years education and childcare in the NCS, levels of quality do appear to be improving across the UK, but closer inspection indicates there is much room for improvement. For example, in England, the proportion of settings rated inadequate fell from 40 per cent in 2001 to 4 per cent in 2008 (Ofsted, 2008). The majority of settings in England receive 'Good' and 'Satisfactory' grades from their Ofsted inspections, with only a small number receiving Outstanding. It should be noted that Ofsted only measures against minimum standards, not best practice. Ratings in Scotland and Wales seem quite high, but it is hard to tell whether this means there has been improvement as there is little earlier comparable data.

The maintained sector is found to offer higher quality services (Mathers *et al.*, 2007 and Smith *et al.*, 2007), whilst those providers in disadvantaged areas often offer poorer quality (Ofsted, 2008). Chief among high quality indicators is the presence of graduate level, trained teachers. This seems to be associated with the type of positive adult-child interactions and range of activities required to produce higher quality provision. This is also associated with better pay and lower staff turnover.

Parents also have their own perceptions as to what counts as high quality often using a different language to describe what they are looking for (see for example, Daycare Trust, 2010b). But parents from disadvantaged backgrounds often state a preference for 'teacher-led' settings (Daycare Trust, 2007b and e) suggesting their instincts are running along the right lines.

There have been a number of initiatives to improve the level of staff qualifications and qualifications do appear to be improving. However, the number undertaking new degree-level qualifications is still limited and providers have concerns (despite funding from central government) that this funding may not continue to support this ambition or to pay them adequate wages once they are qualified. In fact, pay remains an issue for the whole workforce. To raise standards to a high quality level across the

board, pay staff at rates comparable to teachers and avoid passing on all these additional costs to parents would cost around £9 billion. This represents about 1 per cent of GDP and is in line with international targets from OECD and UNICEF.

## **7 Outcomes for children**

### **7.1 Introduction**

This chapter looks at the benefits of ECEC for child development, social interaction, emotional development and cognitive development (their ability to think and learn). Whilst there are some confusing messages about what is the right age for children to enter ECEC in order to reap the developmental benefits, it is clear that those from disadvantaged groups have the most to gain from attending ECEC. Further, the evidence surrounding the benefits of ECEC is only representative of the outcomes that are measured, with a suggestion that there are additional benefits that are not, at present, being captured.

### **7.2 The impact of formal group care**

A considerable body of evidence, from the UK, but also the US and elsewhere, has shown the substantial benefits of early years education and childcare for children (see Sylva *et al.*, 2004 and reviews in Waldfogel, 2004, 2006). ECEC benefits children's learning and development, improves their confidence and peer relationships, and can also help to break intergenerational cycles of child poverty. Most of the evidence relates to group daycare and there is much less evidence about the benefits or otherwise of individual or home-based childcare.

The phase between birth and the age of 6 is a critical period for a child's cognitive, social and emotional growth, which is why ECEC (both formal, informal and within families) is essential to children's development. The advantages of formal ECEC for children range from an increase in confidence to improvements in peer relationships, behaviour, learning and development. The Effective Provision of Preschool Education (EPPE) study (Sylva *et al.*, 2004) in particular has shown that high quality care, characteristically teacher-led, leads to improved child outcomes evident even at aged 11 years and that the effects are the most long-lasting for the most disadvantaged children. EPPE also found a link between higher quality provision for children from age 3 and better intellectual and social/behavioural results when children enter school.

Moreover, early years and childcare provision benefits disadvantaged children in cognitive, language and social development, as long as the quality of the provision is high. Research indicates that high quality provision benefits disadvantaged children whether provided in infancy or at a later stage. Findings also show that 2 year-olds

who received high quality ECEC have demonstrated discernible improvements in their vocabulary, in addition to improvements in parent/child interactions (see Sylva *et al.*, 2004 and Smith *et al.*, 2009).

However, whilst EPPE has demonstrated the benefits of group-based ECEC, there is still a need to be aware of the caveats within this, for example the maintained sector provides better outcomes for cognitive and social/behavioural development than the non-maintained sectors. This was supported by the NNI evaluation, where recommendations advocated the development of the maintained sector as a result of the better quality observed (see Mathers *et al.*, 2007). Thus data that is pertinent for one sector or sub-population should not be applied to all. For example, when looking at studies that have considered quality it is important to distinguish whether the service being provided is early years education, childcare or a combination of the two (Campbell-Barr, 2010a). Taking the findings from one form of provision and applying them to another is not always appropriate.

The importance of a secure attachment is widely accepted – either to a parent or to another consistent caregiver. (Goldschmied and Jackson, 2004 and Butt *et al.*, 2007). The lack of good research about the positive effects of group childcare for under twos leads many to assume that for this age group, home-based care, supported by parental leave, may be best for some children. However, the Millennium Cohort Study concluded that group settings used by a 9 month-old baby positively correlate with school readiness and do not show a link with poor behavioural outcomes (Hansen and Hawkes 2009). The data for children over 3 is more consistent in discussing the benefits of ECEC (Melhuish, 2004), and the evidence from the 2 year-old pilots is reassuring, but still leaves parents with patchy information to process. But it is important to note that there are no equivalent large-scale studies on the outcomes for children of individual care from nannies or childminders to compare these results to. And, as any childcare for the under threes is the most expensive type of care (due mainly to the more demanding staff:child ratios), we need to know more about how this affects quality and in turn child outcomes.

The NNI evaluation concluded that negative impacts of ECEC did not occur until a child had been in care for approximately 35 hours a week (Mathers and Sylva, 2007b). *The Parents Childcare Survey* shows that long hours of care for this age group are, in any case, unusual. Other research suggests that long hours of childcare from an early age may contribute towards externalising anti-social behaviour like aggression and disobedience, regardless of quality (Belsky *et al.*, 2007).

The latest review of the evidence points out once again that the size of potential negative effects are quite modest, that some children are more susceptible than others and that the quality of care matters, particularly in relation to staff qualifications, pay and group size (Rutter *et al.*, 2010). The amount of time spent in group care matters, although there remains some uncertainty about the extent to which findings vary by social context. The role of peers may also be significant in influencing both positive and negative behaviours. Finally, the quality of maternal care and the family environment is key, with some children from disadvantaged backgrounds showing better behaviour and development in formal childcare. This indicates that much more work is still needed to isolate the factors at work for improving child outcomes.

One of the difficulties with outcomes is that a number cannot be assessed until a child reaches adulthood. For example, the Perry Pre-school Project in the US demonstrated that the children who had participated benefited from increased incomes in adulthood, resulting in reduced welfare expenditure and benefits for the state (see Barnett, 1996). However, the Perry Pre-school Project is small scale and there is, at present, limited data for comparison. US studies often involve severely disadvantaged children and data may not be transferable to the UK context (Campbell-Barr, 2010a). However, the latest US review of the evidence of the impact of mothers working in the first year of a child's life shows the effects to be broadly neutral as the benefits of the mother's increased income also confers advantages (Brooks *et al.*, 2010).

The Perry Pre-school Project does demonstrate economic outcomes can be influenced, alongside the developmental outcomes of ECEC. High levels of childcare funding are associated with low child poverty rates (OECD, 2006). Furthermore, ECEC can help eradicate intergenerational child poverty depending upon the quality of provision (high quality consistently yields better outcomes). Countries such as Denmark and Sweden have reduced the negative link between low parental educational attainment and income, and equivalent low outcomes for their children, with equal access to ECEC services and social mixing in childcare playing a key role (see Butt *et al.*, 2007 and also Treasury/DWP/DCSF, 2008) where childcare is identified as having a key role to play in the child poverty strategy. This contrasts starkly with the US and UK where parental income remains a key determinant of children's outcomes, with those in lower income groups achieving lower outcomes. But if childcare is to play a strong developmental role, the quality of provision is crucial. More recently, the important role of ECEC has been highlighted as a key factor in any strategy to reduce inequality in the UK (Hills *et al.*, 2010).

### **7.3 The impact on child outcomes associated with increased lone mother employment and childcare**

Much of the research on childcare and child outcomes has centered on measuring and assessing their cognitive and social development. Limited qualitative work has contributed to these measures by shedding light on parents' views of the outcomes for their families. Work with lone parents has demonstrated how income from employment has enabled them to afford treats or large expenditures for their children (Ray *et al.*, 2007). In addition, there is some limited survey work with lone parents that demonstrates that they do not identify their employment, and increased childcare, as having negative consequences for their children (Riccio *et al.*, 2008). However, both of these studies are based on pilot projects that are focused on increasing the rate of lone parent employment, and represent a small sub-section of parents, demonstrating a need for more robust data on the impact of parental employment and childcare on child outcomes.

Recent research sheds light on how children are likely to be affected by their lone mothers going to work (Ridge, 2007; Millar and Ridge, 2008). Children of mothers working within school hours and terms valued increased relationships with their extended family, for example grandparents, although, for parents, these arrangements are not always reliable (see Speight *et al.*, 2010). The children also disliked poor quality out-of-school provision that was inappropriate, unsuitable and stigmatised. They also made a contribution in terms of caring for themselves and siblings, taking on extra responsibilities, providing emotional support for their mothers and not making demands on their time. Children also moderated their own needs and accepted adverse situations, including inappropriate care. This contribution is rarely acknowledged and is significant to the debate about child wellbeing. Again, further work is needed in this area.

### **7.4 Summary**

A considerable body of evidence has developed that has demonstrated the benefits of high quality early years education and childcare for children's social, cognitive and emotional development. In particular, the evidence suggests that it is those children from disadvantaged backgrounds that are likely to gain the most from early years education and childcare. However, there is also conflicting evidence, particularly for the under-threes in group-based daycare. Whilst some research has suggested that negative impacts of childcare are the result of spending too many hours in childcare, others feel that greater caution needs to be applied to the use of childcare more generally, particularly when considering children under the age of 2. It seems likely



that poorer outcomes for under twos (the most expensive type of childcare provision) is likely to relate to issues of quality. For example, the positive results of the 2 year-old early years education pilots demonstrate the importance of quality early years education (Smith *et al.*, 2009b).

There is limited evidence to consider the views of parents and children themselves on the impact and outcomes of ECEC.

## 8 Conclusions and implications

### 8.1 Conclusions

Access to appropriate and affordable childcare does not stand alone from other economic and social issues – it is a key factor in enabling parents to enter and remain in the labour market and achieve social mobility. Although some parents prefer to look after their own children and see it as their responsibility, most parents use some form of childcare, and for them work is a necessity, as well as a question of aspiration and fulfilment. In practice, it is women who have been disproportionately responsible for the majority of childcare in families resulting in fractured work patterns and diminished labour market returns, for individuals, families and children.

The National Childcare Strategy (NCS) has come a long way in trying to support families to combine their work and family lives, and childcare availability, quality, affordability and accessibility of ECEC has improved. Much has been achieved, but there remain considerable childcare gaps in provision, for example for disabled children, older children, out-of-school and holiday options and childcare for those working atypical hours.

There are also variations in use in relation to family characteristics. Formal childcare use was higher in less deprived areas and children from working and higher-income families were more likely to use formal childcare than those from non-working and lower-income families. Pakistani and Bangladeshi children of school age were less likely to receive formal childcare than White children, and children with SEN were less likely to receive formal childcare than those without SEN, while the apparent difference in the use of informal childcare was not statistically significant. Children in London were less likely to receive informal childcare than children in other regions. None of the routine childcare surveys currently collect data on the sexual orientation, religion or belief, or transgender status of parents. The evidence that exists shows no observed differences in childcare use, or particular differences because of those characteristics.

In some instances the lack of use is a response to the gaps in provision. Childcare provision is not always flexible enough to meet parents' working hours and although many nurseries provide childcare between 8am and 6pm, very few provide care outside of these hours. One of the least well-developed parts of the childcare strategy is extended schools provision both before and after school and in the school holidays. School opening hours and holidays still bear little relation to the needs of the communities they serve. The continued high level of use of informal childcare is

one response to this situation, with grandparents often providing wraparound care, for example, around school hours. Those without access to this have to find more expensive solutions with the result that many mothers confine their work ambitions to school-hours jobs often with poor prospects and low pay. Many women in a recent YouGov study said they had taken their job because it fitted round their childcare responsibilities and not because it was part of a considered career choice (Ellison *et al.*, 2009).

As the Commission's 'Working Better' initiative has shown, parents tend to work the hours necessary to fit in with the provision available, rather than parental leave, flexible working and childcare working around them. Once children start school, due to schools hours and holidays, there is a direct relationship between these hours and the low paid, traditional work that women do. Fathers would like to spend more time with their children and gain greater access to caring opportunities. Whereas in other parts of Europe, for example the Nordic countries, parental aspirations are supported by highly developed ECEC, in the UK, it is fair to conclude that it is largely mothers' part-time work that shores-up family 'choices' about combining work and family life. Arguably, in Britain, mothers' part-time work acts as a substitute for a fully developed system of ECEC and extended school facilities. In turn this underpins the gender pay gap, leads to lower lifetime earnings and poorer benefit and pension entitlement.

Other outstanding issues include: the need to respond to parents' preferred working patterns and the sustainability of the mixed economy of childcare in terms of subsidy and workforce development. In relation to quality of provision, there are some areas that still need to be addressed, for example, the fact that quality is best in the maintained sector, children's centres and in teacher-led settings and worst in the private sector and in the most disadvantaged areas.

Childcare is not a simple issue of preference. The ability to pay is a key determinant in accessing appropriate childcare. To date, the most successful and most well-used and popular development to come out of the childcare strategy is the **free** entitlement for 3 and 4 year-olds. Among parents paying for childcare, the cost was still found to be high with around a fifth saying that they struggled to meet their childcare costs. This proportion was significantly higher among lone parents, families with low incomes and those living in deprived areas. Parents of very young children are faced with the most expensive type of childcare and, perhaps not surprisingly, most only use a very modest number of hours in response. Many parents still say they want better and more affordable childcare. Given that the childcare strategy has focused attention on disadvantaged families, it is a matter of some concern that childcare choices still seem to be more readily available to those who can afford to make them. Affordability divides families and is a particular barrier to low-income and lone parent

families, though it is also a key consideration for a wide range of parents. Some parents have not traditionally used formal childcare and typically, the most disadvantaged families are still less informed and less likely to use it, even when it's free.

Those groups known to have lower rates of formal care use (non-working families, lone parents, those with lower incomes) were less likely to have had access to recent information about childcare, more likely to say they had too little information on childcare and more likely to say they were unsure about the availability, quality and affordability of childcare in the local area. Improving access to information on childcare is key.

In practice, provision, including flexible working and parental leave entitlements, still lags behind parents' needs and expectations. One consequence of this lag is that there remains a still largely gendered division of labour in the home around care of children facilitated by mothers' part-time work. In fact, parental preferences and 'choices' remain constrained. As 'Working Better' has shown, parents tend to work the hours necessary to fit in with the provision available, rather than flexible working and childcare working around them. Mothers tend to reduce their hours and fathers to extend theirs. So there are also tensions between encouraging greater flexibility for mothers and the risk of entrenching traditional gender roles and exacerbating the gender pay gap.

Helping families to combine work and care is an essential step in achieving equality by enabling equality of access to the labour market for women and a chance for men to spend more time caring for their children. Appropriate childcare can support more types of families into employment and at the same time improve child outcomes, thus reducing child poverty in the longer term, and what is good for the child is good for the mother and father. For those families who have accessed it, good quality ECEC provides measurable improvements to children's socio-emotional and cognitive development, thus improving their life chances and prospects.

In the current financial climate, it is also important to consider the role flexible working can play in helping parents to combine work and care. Employers have recently made use of these in response to the recession. Early reports from the Working Better series have already called for better flexible working arrangements. Given that those families who have access to flexible working, report greater levels of satisfaction with their work-life balance, there is a clear need to promote the benefits of flexible working for both families and employers. Supporting families in combining their work and family lives needs to extend beyond the limited options usually on

offer, for example, part-time working. Options need to reflect the diversity of families by having a diverse range of options available to them.

Now is a good time to take stock and consider what would it take to deliver policies and provision that meet the needs of both parents and children.

## **8.2 Implications**

### **8.2.1 Close the childcare gaps**

Alongside developing the business skills of those in the mixed economy of childcare, more work needs to be done in helping them identify where there are gaps in supply and what are the barriers to filling these gaps. Where providers are not in a position to fill the gaps (either financially or as a result of the need to consider their own work–life balance), then the role of local authorities as the last resort could be enforced. PVI sectors are not always in a position to meet demand and, at times, intervention by the state is needed.

The provision of out-of-school care is one area where there are significant gaps in provision. This is particularly pertinent given welfare reforms that are likely to yield greater demand for out-of-school care. The lack of out-of-school care raises a clear mismatch between the core hours of operation in the education sector, compared to most other sectors. If the education sector is not going to come into line with other sectors, then sufficient and appropriate out-of-school services need to be provided.

There is currently insufficient provision of childcare places more generally, and, even where they do exist, it would appear that there is a mismatch between the services being offered and those demanded by parents and this clearly needs to be addressed. There is also a need to expand the overall number of places. However, in expanding places, we need to consider a wider definition of childcare. For example, services for secondary school-aged children are going to differ to those for primary school-aged children. Childcare, as it is commonly understood, may not be an appropriate term for secondary aged children. Therefore, alternatives, such as providing safe environments for children to socialise in, should be considered.

Childcare for disabled children is also scarce. Again there is a need to look at the services being provided to see how they can meet the needs of all children. At present, many services lack the skills or money to provide the necessary support for disabled children. Where local authorities prioritise inclusion policies, and provide funding, it is perfectly manageable. There are already pilots in place to address such shortfalls and more funding in the pipeline (at the time of writing), but much more

work will be needed to extend this work and take the pressure off parents of disabled children who currently have to battle for improved provision for their child. And more needs to be done to understand and address the barriers that providers face in meeting the needs of disabled children.

Childcare for those working atypical hours is another area where there is a gap in provision. And such working hours are rapidly becoming the norm. Although childcare providers are extending their hours of operation, the need for more out of hours childcare remains. To date the market has been slow in responding to this demand and there is a suggestion that they face barriers (such as managing sufficient staffing and considering their own work–life balance) in meeting the requirements. If the market is not in a position to respond to the need for out of hours childcare, alternatives need to be considered. Viable alternatives to setting-based care should also be considered, such as approved sitter services where out of hours care is provided in the child's own home. Little is known about the Home Childcarers system that allows home carers (such as nannies) to become registered to provide care in a child's own home and more work needs to be done to explore the potential for expanding it to address the needs of those working atypical hours.

### **8.2.2 Improve quality and tackle child poverty**

There is differential access to childcare provision on income grounds and a considerably higher level of use of informal care by low-income families and lone parents. As well as affordability being an issue, so is the availability and quality of ECEC in more disadvantaged areas. This needs to be tackled by better funding geared to improve quality and by, in some cases, local authorities taking over provision or providing it themselves as required in the Childcare Act where there has been market failure. High quality ECEC has the potential not just to improve family incomes, but also to break the link between parental education, income and expectations and that of their children. This has been shown to have a powerful transformational value and is key to any child poverty strategy.

The evidence shows that a highly qualified workforce is key to achieving high quality childcare. Although advances have been made with regard to qualifications and the workforce, it is likely that further investment will be needed to achieve a high quality and respected workforce, like that seen in the Nordic countries. Yet, to date, the government's ambitions in this direction have been fairly modest. Further funding to support the development of a graduate workforce is clearly desirable and where funding is limited, options for combining study with paid employment should be considered. However, a graduate workforce should be able to expect a graduate level salary. This clearly relates to the need to develop the business operations of

providers, but high quality childcare, with well-qualified staff, will always be expensive. There is no alternative to increased subsidy to tackle this problem as parents cannot be expected to pay more.

More work is needed to improve quality, particularly in the most disadvantaged areas. To improve quality to the level needed to give all children a high quality experience and deliver improved outcomes, particularly for the most disadvantaged children, will require creative use of supply-side funding. And to deliver on quality means improvements in staff pay and conditions. Supply-side funding would need to be used to drive up qualifications and pay through rates that incentivise high quality and through the introduction of a quality subsidy for the under-threes, with payments increasing over time as quality improves. Any additional parental contribution could be met in the short-term through the reforms to tax credits recommended in the following section. This must be tackled as a matter of urgency if high quality ECEC is to have a role in ending intergenerational child poverty by improving children's long-term prospects as well as by helping parents into paid work to improve their current incomes.

### **8.2.3 Improve affordability**

Given that many families still struggle with the cost of childcare, there is a serious need to look at how additional financial support can be provided to those families in the lowest income groups. This is important, not just because of recent welfare reforms, but also to tackle child poverty. Interventions in the supply of childcare need to be developed alongside further developments on the demand side. Although the existing support for families (the provision of free early years education and subsidised childcare) is encouraging, it has not gone far enough and it needs expanding. Other options include: offering free out-of-school and holiday childcare; extending the tax credit system to all families getting the Child Tax Credit, thus removing the 16-hour work test; and increasing the proportion of childcare costs covered by tax credits to 100 per cent for the lowest income families. Consideration could be given to removing the childcare element from tax credits and paying it separately to simplify the system.

Helping low-income families to access childcare also targets the children who stand to gain the most. Further, in recognising the largely successful free early years education system, extending it to at least to twenty hours a week for all three and four year-olds will help many families to combine work and care commitments. In addition it brings childcare into line with the minimum number of hours needed to qualify for tax credits (16 hours at the time of writing). In extending the free entitlement there is a need to ensure that it is fully funded so providers do not pass

on any additional costs to parents and so they are in a position to maintain and improve the quality of provision as appropriate.

#### **8.2.4 Improve the subsidy regime to deliver quality**

To improve quality to the level needed to give all children a high quality experience and deliver improved outcomes, particularly for the most disadvantaged children, will require a greater use of supply-side funding. Further, to deliver on quality means improvements in staff pay and conditions. This would be challenging in the current financial climate. To deliver high quality, according to Daycare Trust, would cost £9 billion and an increase in spending to 1 per cent of GDP (Goddard and Knights, 2009). Supply-side funding would need to be used to drive up qualifications and pay through rates that incentivise high quality and through the introduction of a quality subsidy for the under-threes, with payments increasing over time as quality improves. Any additional parental contribution could be met in the short term through the reforms to tax credits recommended above.

#### **8.2.5 Improve choice and flexibility**

Many parents will always opt to reduce their hours to keep children's time in formal provision to a minimum and spend more time with them. But this does not always seem to be out of 'choice'. In particular, poorer families are much less likely than those on higher incomes to feel that their working arrangements are the result of choice rather than necessity. At present, it is usually women who make this 'choice'. Nearly all male workers currently work full time, and many increase their hours when children arrive. More needs to be done to allow more men to have time with their children and to encourage more men to reduce their hours.

However, this clearly needs buy-in from employers. For example, enabling parents to work school hours can provide parents with a satisfactory work-life balance whilst giving employers a dynamic workforce. However, such flexibility needs to be supported by appropriate leave options, such as enabling the parents of school-aged children to take leave during school holidays or work term-time only. Both flexible working and leave options can also help support new parents in finding a work-life balance, whilst also supporting those who wish to keep the use of formal childcare to a minimum.

There is a need for buy-in from employers to ensure that if a parent, for example, works school hours, they have the option to 'top-up' their hours at other times, or have access to flexible working arrangements, such as working from home or for a more flexible working hours pattern. We are not advocating that parents should find



themselves working at 'all hours', rather that they should have clear choices around flexibility so that they can find solutions that meet their requirements.

The right to request flexible working, whilst holding employers more accountable, does not mean that they have fully explored or understood ways in which flexible working can help them have a more dynamic (and happy) workforce. More work needs to take place in supporting employers to explore viable options for developing flexible working for their employees. Given that the support for childcare could come under pressure due to the financial implications of the recent recession, in some instances it may mean that there is a need to incentivise the offer of flexible working. We have seen how the use of part-time work has helped some businesses to stay viable through the recession. In addition, there could be a greater role for employers in supporting childcare as they fund very little at present, but again this may need more financial incentives for it to be economically viable.

The options for flexible working and parental leave should not become gendered in their delivery. At present it is often women who reduce their working hours in order to address the work—life balance needs of their family. It should be recognised that flexible working and parental leave are options for both mothers and fathers (and other carers as appropriate). Further, those who choose to work flexibly or who take parental leave should not be penalised for doing so. Research has shown that full-time working is seen as a prerequisite for promotion (see Chapter 5). Generating buy-in from employers around flexible working needs to include generating support for part-time workers also being able to access promotions and the encouragement for more men to reduce their hours. This would help to address the inequalities that many women face in their careers as a result of working part time, whilst also enabling fathers to spend more time with their children. The introduction of the right to request flexible working for all would enable all groups, including grandparents, to have better choices in how they manage their working and caring roles.

There is also a policy gap to be filled. Even if maternity pay is extended from nine months to 12 months, there is no publicly funded leave or childcare provision to bridge the gap before the free entitlement for 3 and 4 year-olds starts (although a relatively small number benefit from the two year-old pilots). There is means-tested subsidy through tax credits, but childcare for this age group is the most expensive type of childcare creating a barrier to participation in any activity outside the home. And, the remaining parental contribution for many is still large. Extended paid parental leave for either parent could be useful here, or greater direct subsidy to providers to reduce the cost. Failing that 100 per cent of costs needs to be covered by tax credits.

### **8.2.6 Expand the role of schools in wraparound and holiday care**

Although the majority of schools may be signed up to the extended schools programme, this has not resulted in significantly extended hours of childcare for all families. This policy area needs some urgent attention to guarantee genuinely extended schools so parents, particularly lone parents, are better able to return to and stay in paid work. The latest 2010 Daycare Trust *Holiday Costs Survey* revealed that 40 per cent of FIS thought there was less holiday childcare available than last year. Evidence from the parents childcare survey suggests that the minority of children use any out-of-school provision and that this use varies enormously around the country.

### **8.2.7 Offer outreach and brokerage**

Practical help and support will be required in more disadvantaged areas, including advice and brokerage by local advice agencies. This is already required of FIS, but services are patchy and wider advice agencies do not yet see it as their role to provide advocacy in this area or see childcare as an 'entitlement'. More work is needed to make sure places are found and secured for parents, particularly those with disabled children.

### **8.2.8 Support informal childcarers and wider family arrangements**

Informal childcarers should be offered support through children's centres and given the opportunity to become part of support networks. The opportunity to work more flexibly should also be offered to this group. The suggestion that grandparents should be paid for providing childcare has some support, however, there is conflicting evidence about whether they would like to be paid or not. Few seem keen to undergo a registration process to become eligible for tax credit funding. Without registration, serious questions would need to be asked about whether this was a good use of public money and would the state be held responsible if a child were to be put at risk by an unregistered carer in receipt of public money? Also, in a funding environment where cash is short, it would do nothing to help develop the childcare infrastructure that is needed to support all families. Financial support for informal carers, including grandparents, would be unwise.

### **8.2.9 Consider alternatives to the reliance on the mixed market**

Recent trends in the supply of and demand (need) for childcare have raised the question of whether the extent and nature of a government's intervention is sufficient to provide good quality and affordable childcare for all. On the 'demand side', there is a question mark about whether a mixed economy of care can meet parents' diverse needs. However, there remain particular concerns about the viability of provision in the most deprived areas, once start-up funding provided by government initiatives runs out. For example, the decline in the proportion of day nurseries located in deprived areas in 2006 could reflect the inability of some NNI to remain open once the funding ended. The evidence also points to an increase in the number of nurseries in deprived areas making a financial loss. The business skills of those working in early years education and childcare could also be improved. Whilst there have been some moves in this direction, considerably more work needs to be done to help the childcare market work better.

While parents continue to report a shortage of childcare places, many services report vacancies. And, while providers struggle to become financially viable, cost remains a barrier to childcare use for some parents. There is a clear mismatch in the policy drivers for affordable childcare and the need for early years education and childcare providers to become sustainable. Two distinct childcare markets seem to be in operation – one in more affluent areas mainly served by private providers and shaped by market forces, whilst a second operates in more deprived areas reliant on government intervention and initiatives such as NNI and Children's Centres to redress market imperfections and the reluctance of private providers to establish themselves in those areas. This needs to be acknowledged and funding made available to improve sustainability. Ultimately, a more comprehensive and universal solution needs to be sought if the importance of improving child outcomes through high quality services is to be addressed systematically.

### **8.3 Further research to inform gaps in evidence**

To support working families there are some areas where there are evidence gaps and further research is needed:

- There is a clear need for more systematic research into what parents want and need, including their perceptions of quality in ECEC. For example, we need to know more about the way parents conceptualise 'quality' and how this relates to formal assessments and rating scales.

- The data available in national surveys needs to include better representation of a broad range of demographic groups. For example, very little is known about the needs of lesbian, gay, bisexual and transgender families or families of different religious backgrounds.
- There are also gaps in the research around the role of men in childcare and what barriers they face in entering childcare.
- With regard to the supply of childcare, there could be greater use of sufficiency assessments. This would entail addressing the quality of some of the sufficiency assessments, but also considering the potential for matched data to be collected across local authorities. Scotland and Northern Ireland should also conduct sufficiency assessments so there is comparable data across different nations and sufficiency assessments provide the opportunity for this.
- There needs to be a more detailed analysis of the way ECEC is funded – bringing together all the elements of funding, as Daycare Trust has done for England in ‘Quality Costs’ 2009. It would be useful to conduct a similar analysis for Scotland, Wales and Northern Ireland.
- There is very little evidence about individual providers such as childminders and nannies. Their omission from the large studies of the effectiveness of provision, quality and child outcomes means we can only comment on the evidence for group-based childcare, leading to the assumption, by omission, that there are no negative (or positive) effects to be had from this type of care. But we simply do not have the evidence to be able to say one way or the other.
- We need greater insight into outcomes for young children (under twos) from childcare – the research is currently mixed and much that is commonly referred to is of US origin. Better evidence for the UK is needed, including analysis of the impact the variation in quality of provision has on this age group.
- There is no, or limited data, on childcare use according to the ethnic group of parents in both Scotland and Wales.
- More work is needed on the role played by informal care, including grandparents, and the reasons parents use it. The views of these carers also

needs closer examination.

- A lot of the research does not initially make the distinction between formal and informal childcare, for example, it will report a high use of childcare and then break this down into formal and informal care. ScotCen have looked more at the interplay between informal and formal childcare, but there has been nothing similar carried out for Wales.
- More work is needed on the childcare element of working tax credit – who is receiving it and who is missing out?
- There is limited literature which specifically talks about the impact of the recent recession upon childcare.

There is work already underway in some of the areas outlined above. For example, Daycare Trust are developing a study into the use of informal childcare funded by Big Lottery. There is also a literature review on informal care under preparation for Nuffield by Caroline Bryson and Mike Brewer.

## **8.4 Finally**

The childcare strategy in the future needs to take the necessary steps towards a truly universal system of early childhood education and care. Arguably, such a universal service would:

- Ensure life enhancing experiences for children
- Tackle child poverty and long-term disadvantage; and
- Achieve gender equality with fulfilling work and home lives for parents.

Such a childcare landscape would comprise:

- Sufficient accessible, affordable and flexible childcare places to meet families' need to balance work and home
- Well-paid, qualified staff who are able to provide stimulating, caring and life enhancing experiences for children
- Properly subsidised provision that leaves parents with a minimal and manageable contribution to pay
- Local authorities supporting settings that build on the best in the sector without their hands being tied as regards to any governance model or sector, and
- Parental leave and pay that allows parents to choose the way they want to combine work and parenting throughout their children's lives.

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## Endnotes

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<sup>i</sup> 'Work' here means 'paid work' as distinct from the unpaid work many mothers provide in the home. We make the assumption throughout that mothers' paid employment is not the only 'work' that they do.

<sup>ii</sup> Daycare Trust's figures suggest that places have increased by a factor of about 1.5, while Government figures show the number of places to have more than doubled since 1997. It is hard to make an accurate assessment since the registration and counting of places changed when transferred to OFSTED in 2001.

<sup>iii</sup> This represents a slight improvement from 21 per cent and 24 per cent respectively in 2005. However, the financial position of day nurseries remains significantly worse in 2006 than in 2001 when only 10 per cent reported a loss.

<sup>iv</sup> Data supplied by CWDC and Men in Childcare in Scotland, from Action Plan for Gender Equality in Kindergarten and Basic Education, 2008-2010 for Norway.

<sup>v</sup> The data on childcare use draws on the Parents Childcare Survey Series funded by the DfE. Childcare and early years education are distinguished in the series by the type of service which the parent reports using. Within the latest report, the survey has made adjustments to the types of childcare that are included in their reports on the use of childcare. In particular, the definition of what is regarded as out-of-school care has been expanded to capture the use of breakfast clubs and out-of-school clubs for school-age children. As a result the data discussed refers to two figures on childcare use: a comparable figure and an incomparable figure. The comparable figure is the figure that can be compared to previous surveys, whilst the non-comparable figure represents the broader understanding of childcare. As such the non-comparable figure appears larger as it encompasses a broader understanding of childcare.

<sup>vi</sup> For a more extensive discussion of maternity rights and income and employment when children are very young, see Evans and Williams, 2008.

<sup>vii</sup> The devolved countries have different plans to meet any increase in demand, which the central government projects will be minimal (see for example, Work and Pensions Committee, 2008). It anticipates only 1,000 extra places needed in Scotland, for example.

<sup>viii</sup> New registration and inspection arrangements against the Early Years Foundation Stage started on 1 September 2008. This single framework sets the standards for care, learning and development from birth to 31 August following their fifth birthday.

<sup>ix</sup>

<http://nationalstrategies.standards.dcsf.gov.uk/downloader/99625de2a6e5faf4865de908ad701703.ppt>

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This report reviews the literature on childcare in Britain. It considers how childcare can be improved in order to enable a wide range of parents to meet their work and care aspirations.

## WHAT IS ALREADY KNOWN ON THIS TOPIC:

- Working parents' aspirations for work and childcare have led policy makers to consider a variety of childcare initiatives with the dual aim of supporting parents into work and providing a solid foundation for early learning and development for children.
- It is women who have been disproportionately responsible for the majority of childcare in families, resulting in fractured work patterns and diminished labour market returns for individuals, families and children.
- Childcare is not a simple issue of preference. The ability to pay is a key determinant in access to appropriate childcare. Affordability divides families and is a particular barrier to low-income and lone parent families, though it is also a key consideration for a wide range of parents.
- The phase between birth and six years is a critical period for children's cognitive, social and emotional growth. A considerable body of evidence has shown the substantial benefits of good quality early years education and childcare for children.

## WHAT THIS REPORT ADDS:

- Parents' own work and care aspirations seem to be way ahead of the arrangements they make in practice, both in terms of the responsibilities of mothers and fathers and the type of childcare they use. In practice, childcare provision, including flexible working and parental leave entitlements, still lag behind parents' needs and expectations.
- Fathers would like to spend more time with their children and gain greater access to their caring opportunities.
- Access to appropriate and affordable childcare does not stand alone from other economic and social issues – it is a key factor in enabling parents to enter and remain in the labour market and achieve social mobility.
- Despite the increase in childcare places, there appear to be gaps in provision including: childcare before and after school, holiday care, care for older children, provision for children with SEN and disabilities, provision for parents working atypical hours and, in some places, care for those under two.
- Appropriate childcare provision could move between a sixth and a half of children out of poverty today.